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Japan

Japan: Hashimoto Trying To Activate Debate on Defense Cooperation

OW1803141296 Tokyo SANKEI SHIMBUN in Japanese 17 Mar 96 Morning Edition p 2

[FBIS Translated Text] Prime Minister Ryutaro Hashimoto, who is also president of the Liberal Democratic Party [LDP], intends to encourage discussion among political parties of Japan-U.S. defense cooperation and the use of the collective self-defense right in Far East emergency situations. As the LDP's Research Commission on Security (chaired by Tsutomu Kawara, former Defense Agency director general) issued a Japan-U.S. security framework report on 15 March, he wants to make a good use of the opportunity to activate discussions.

The prime minister says the enhancement of crisis control is the highest priority for his cabinet. However, should Hashimoto propose Japan-U.S. defense cooperation in Far East crises as official government policy, it might provoke a strong reaction — mainly from the Social Democratic Party [SDP] — in political circles because the issue is related to how the collective self-defense right is used in coping with emergencies. The issue could spell the collapse of the tripartite coalition.

Outside Japan, tension is rising in the Taiwan Strait while President Bill Clinton preparing to visit Tokyo in April. In this context, Hashimoto is aware of the necessity of examining just how much defense cooperation is possible between Japan and the United States. Using the LDP's report as a basis for discussion, the prime minister is apparently trying to improve the political environment to pave the way for the success of the Japan-U.S. summit.

Summoning Kawara to the Prime Minister's Official Residence on 12 March, Hashimoto received a briefing on the Research Commission's report entitled "The meaning of the Japan-U.S. security framework in the present era." He has been actively involved in the compilation of the report. In his meeting with Kawara, the prime minister, who has recently started seeing Foreign Ministry and Defense Agency officials on an everyday basis to for briefings about the Taiwan Strait, agreed with the commission's chairman that the PRC-Taiwan situation could affect Japan's security.

Japan: SDF Supplies Fuel to USFJ During Joint Training

OW1803235396 Tokyo TOKYO SHIMBUN in Japanese 15 Mar 96 Morning Edition p 1

[FBIS Translated Text] The government has been engaged in working out the draft Acquisition and Cross-Servicing Agreement [ACSA], which concerns the mutual supply of goods between the Japanese Self-Defense Forces [SDF] and the U.S. Forces. However, it was disclosed as of 14 March that the Air Self-Defense Force [ASDF] has been supplying fuel to U.S. aircraft during almost all of the joint Japan-U.S. training exercises since 1994. Moreover, the Maritime Self-Defense Force [MSDF] has also constantly supplied fuel to the U.S. Navy. Thus, the conclusion of the ACSA is nothing but a reconfirmation of the actual situation. Both Japan and the United States hope to have the ACSA concluded at an early time. Therefore, it is observed that the ACSA will probably be developed into an agreement as requested by the United States, based on which the SDF will be asked to provide logistic support for the USFJ when both the SDF and the U.S. forces have to jointly handle emergencies in the Far East. As a result, it is likely that this accord will arouse a controversy over the use of collective defense rights.

The ASDF made its first supply of fuel to the U.S. forces in November, 1994 when a joint Japan-U.S. training was held at Chitose Base in Hokkaido. The exercise was held with the objective of promoting cooperation in air battles, and the ASDF supplied fuel to such U.S. aircraft as the F-15, F-16 and FA-18 fighters.

Then, joint training was conducted at Nyutabaru Base in Miyazaki Prefecture in February 1995; at the same base again and also at the Tsuiki Base in Fukuoka Prefecture in the same month; and at Chitose Base in November 1995. Thus, refueling was provided on four occasions since 1994 to a combined total of 749 aircraft of the U.S. forces, with the total amount of fuel supplied reaching 6,620 kiloliters.

According to the Defense Agency [DA], the U.S. Air Force [USAF] used to store its fuel at ASDF bases. However, since the USAF changed the type of fuel in 1994, it has become difficult for the USAF to have its fuel stored at ASDF tanks. Therefore, the U.S. forces requested that fuel should be directly supplied, and the DA decided to comply with this request by issuing a notification signed by its vice administrative minister.

And since fuel was also supplied for KC-135 refueling tankers during the joint training held in November 1995, the ASDF can be said to have supplied fuel to all the USAF operational aircraft that may be mobilized in dealing with regional disputes.

Meanwhile, the MSDF started its supply of fuel to vessels of the U.S. Navy [USN] in 1984. And during the joint Japan-U.S. training conducted in the last two years, MSDF's supply vessels provided a total of 4,250 kiloliters of fuel to a combined total of 18 USN destroyers and frigates. In certain cases, fuel was also supplied to USN anti-submarine helicopters on the escort vessels. During each joint training session, the U.S. forces received MSDF-supplied fuel.

This situation can be taken to underscore the fact that the objective of "facilitating supply of goods and services during joint Japan-U.S. training" as stated in the ACSA has actually been attained.

Moreover, the ASDF has airlifted U.S. troops during the USN carrier-based aircraft's nighttime landing and taking-off practices (NLP) in Iwojima Island area. Thus, the actual situation indicates that the SDF has already provided logistical support for the U.S. forces "in its independent training" despite the fact that the DA is still studying whether "support for independent training" should be stipulated in the ACSA.

In fact, the conclusion of the ACSA is a measure for reconfirming the actual situation. And it seems that new guarantees will merely include that the fuel supplied that was originally repaid "only in kind" can now be repaid "either in kind or in cash," and that repair parts can also be provided.

With regard to the reason why the government seems to be in a hurry to sign the ACSA, a DA source stressed: "It is hoped that the conclusion of the ACSA can be taken as a feature of redefining the Japan-U.S. security arrangement to be announced during President Bill Clinton's scheduled visit to Japan in April. To indicate that Japan is an ally of the United States, it is important to show something tangible such as the ACSA agreement."

Japan: Government Intends To Sign ACSA Accord During Clinton Visit

OW1903094096 Tokyo NIHON KEIZAI SHIMBUN in Japanese 18 Mar 96 Morning Edition p 1

[FBIS Translated Text] The government has decided to sign the "Acquisition and Cross-Servicing Agreement (ACSA)" to facilitate the mutual provision of materials and services between the Self-Defense Forces [SDF] and the U.S. forces during U.S. President Bill Clinton's visit to Japan scheduled for April, and has begun final coordination on whether the agreement will be made applicable to independent training conducted solely by U.S. forces.

As a result of the consultations already conducted between the Defense Agency [DA], the U.S. Department of Defense, and the U.S. Forces Japan, it has been decided that the SDF and the U.S. forces will facilitate mutual supply of materials or such services as repair work during joint training in peace time and during UN peacekeeping operations (PKO).

In emergencies such as wars or disputes in the Far East, Japan may not be under direct attack. If the SDF supplies materials to the U.S. forces in such cases, it would be regarded as exercising the right of collective self-defense, which is prohibited by the Japanese Constitution as interpreted by the current administration. Therefore, such cases will be excluded from the range of the ACSA's application. Moreover, it has been voiced within the ruling parties that the ACSA should be made applicable during intensified tension in Taiwan or on the Korean peninsula. However, based on the same reasoning, the government has no plans to include these cases in the agreement.

The U.S. government has requested that the ACSA be made applicable to independent training conducted solely by U.S. forces, so SDF bases could provide some services such as repair work. However, there is a possibility that, while accepting the SDF support based on the ACSA and under the pretext of "independent training," the U.S. forces could take intimidating military actions against China or North Korea. It is feared that, by providing such services, the SDF may violate the Japanese Constitution, which prohibits "intimidation through the use of armed force." Therefore, further coordination will be conducted between the DA, the Ministry of Foreign Affairs, and the Cabinet Legislative Bureau on how these cases should be handled.

Japan: Landowner Urged To Renew Lease on U.S. Facility

*OW1803124196 Tokyo KYODO in English
1146 GMT 18 Mar 96*

[FBIS Transcribed Text] Naha, Japan, March 18 KYODO — The Defense Facilities Administration Agency has again asked the owner of land in Okinawa Prefecture where a U.S. military communications facility is located to renew a lease on the land after it expires at the end of March, officials said Monday [18 March].

The agency's Naha Regional Defense Facilities Administration Bureau sent a request to the owner, Shoichi Chibana, stating that the land, which lies within the village of Yomitan about 24 kilometers northeast of the prefectural capital of Naha, is needed for the Sobe communication site, bureau officials said.

The Defense Facilities Administration Agency, which is a Defense Agency affiliate, handles land leases to U.S. Forces in Japan.

Chibana is one of a number of land owners in Okinawa who oppose the presence of U.S. forces in the prefecture and the forced lease of their land to the U.S. military.

The prefectural government wants to recover the land occupied by all local U.S. bases there in 20 years, and has urged the government to review the 1960 Japan-U.S. Status of Forces Agreement, reduce noise from U.S. military facilities and reduce U.S. bases-related crimes and accidents.

The Okinawa Prefectural Government stepped up its calls in the wake of the rape of an Okinawa schoolgirl last September for which three U.S. servicemen have been sentenced to prison.

A decision is expected March 25 in the Naha Branch of the Fukuoka High Court on a lawsuit filed by the prime minister against the Okinawa governor for his refusal to sign land-lease renewal documents for U.S. bases in the prefecture.

In its letter to Chibana, the bureau said it noted his refusal to renew the contract despite repeated requests from the bureau.

It also stated that the bureau is taking legal steps to ensure the continued use of the communications facility if all else fails, but would prefer to maintain a "contracted relationship" with Chibana, the officials said.

Chibana has said that if the state cannot get authority to use the facility by the time the contract expires, he will ask the court to return the land so that his family and friends may occupy it.

Japan: Government To Keep Landowners From U.S. Bases in Okinawa

OW1803142096 Tokyo KYODO in English 1304 GMT 18 Mar 96

[FBIS Transcribed Text] Tokyo, March 18 KYODO — The government will not allow landowners in Okinawa Prefecture to enter the land they own, which U.S. bases currently occupy, even after the land lease contracts expire without renewal, government sources said Monday [18 March].

The government is now considering filing a request for a court injunction to ensure that the U.S. bases will remain closed to the landowners after the term of the lease expires at the end of March, the sources said.

The land in question is occupied by the U.S. Telecommunications facilities at Yomitan.

No renewal of the compulsory use of the land is expected by the deadline since Okinawa Gov. Masahide Ota has refused to sign land lease renewal documents for U.S. bases in the island prefecture.

"Unless the U.S. forces offer to return the facilities we have to continue to supply them," a government official said.

"If the government's illegal occupation lasts for long, we will have no choice but to seek an injunction," the official said.

A trial at the Naha branch of the Fukuoka high court on a state suit against the Okinawa governor was concluded last week. The court is expected to hand down a decision March 25.

Gov. Ota was accused by then Prime Minister Tomiichi Murayama last year of defying his orders to sign documents that would force unwilling local landowners to renew rental contracts with the U.S. military.

If the state wins the trial and Ota refuses to sign the documents again, the government will not be able to finish the necessary steps for renewing the Yomitan leases before the leases expire. This means that continued use of the land will be considered an "illegal occupation."

Seventy-five percent of the land used by the U.S. military in Japan is concentrated in Okinawa, which makes up only 0.6 percent of the total area of Japan.

The legal battle began in December when Murayama sought a court order forcing the governor to sign the necessary documents for the continued lease of a total of 35,000 square meters of land owned by 35 Okinawa residents.

Ota's refusal came amid growing calls for a withdrawal of U.S. troops from the island prefecture in the wake of the rape of a local primary schoolgirl. Three U.S. servicemen were convicted of the crime last week.

Tokyo To Select New Live-Fire Drill Site Before Summit

OW1903013796 Tokyo SANKEI SHIMBUN in Japanese 17 Mar 96 Morning Edition p 1

[FBIS Translated Text] The government decided on 16 March that as a concrete solution to the issues involving U.S. bases on Okinawa, it will give immediate priority to the relocation of live-fire ammunition drills across the Prefectural Highway 104 conducted by the U.S. forces in Camp Hansen, and that efforts should be made to decide on the place suitable for relocation before the April Japan-U.S. summit. This was disclosed by several government and ruling party sources. The final arrangements are focusing on the plan to conduct the drill at "Higashi Fuji Area" of the Self Defense Forces [SDF] Fuji Exercise Field.

Behind the government's decision is the fact that it is extremely difficult for the central government to meet the Okinawa Prefectural Government's request for overall return and relocation of Futenma Air Field [FAF]. In addition, the government believes "concrete outcomes" must be obtained before the summit, (as stated by Foreign Minister Yukihiko Ikeda).

The U.S. Maritime Corps [USMC] conduct the live-fire artillery drills across the prefectural highway about 10 times a year (for about 30 days) at Camp Hansen in the middle part of Okinawa mainland, and each exercise lasts three to four days. The Okinawa Prefectural Government and local municipalities have demanded cancellation of the exercises due to doubts about safety and concern about environmental disruption. In light of their request, the Japanese and the U.S. Governments confirmed at the bilateral security council held last September that the drill should be relocated to several places in mainland Japan. In this context, they had formed a working group under the bilateral Joint Commission, and have discussed suitable places for relocation to reach a conclusion as early as the middle of this year.

In the SDF Higashi Fuji Exercise Field that stretches across three municipalities, including Gotemba City, Shizuoka Prefecture, live-fire drills are conducted for about 200 days a year. The USMC have also used the exercise field. According to the Defense Agency, most drills that had been conducted in Camp Hansen have already been relocated there. In addition to the Higashi Fuji Exercise Field, the government will make final arrangements to conduct drills in several other places, such as Bekkai Yausubetsu Grand Exercise Site in Hokkaido.

It is difficult for the both nations to reach an accord on the return and relocation of the FAF because in a bid to "maintain functions," the United States, at the Japan-U.S. "Special Action Committee on Okinawa" (SACO), has attached strict conditions to Japan's demand for moving the troops stationed in the FAF to other places in mainland Japan. Such circumstances have strongly influenced the Japanese Government's decision to give priority to choosing the new live-fire drill sites in the mainland.

Japan's Achilles' heel is the U.S.-proposed condition. This confronts Japan with a domestic situation in which the relocation program has faced rough going due to municipalities' opposition. The government's decision was made out of its anxiety that "If even the plan to move the live-fire drill to other places in mainland has collapsed, Japan's stance toward negotiations will be questioned," (as stated by a ruling party Diet member who is well versed in defense affairs).

Japan: DA Increasingly Irritated at Base Relocation Plan

OW1903013896 Tokyo SANKEI SHIMBUN in Japanese 17 Mar 96 Morning Edition p 3

[FBIS Translated Text] The government is increasingly irritated at the deadlock in work to coordinate the relocation of military bases in Okinawa to some places in the mainland and Okinawa.

At a meeting between the government the Okinawa Prefectural Government on 16 March, Defense Agency [DA] Director General Hideo Usui asked Governor Masahide Ota to play an active role in having existing bases in Okinawa relocated to some other places within the island. Japan has already agreed with the United States on the return of some bases — including the "Naha Port facilities" — on the condition that the those bases will be relocated. But the work of coordinating with candidate towns and villages has not progressed. Ota must have made such a request in hopes of seeing light at the end of the tunnel for the settlement of base issues before the Japan-U.S. summit talks in April.

Moreover, probably with future Japan-U.S. negotiations in mind, he reportedly urged the prefectural government to "take a realistic position as the party concerned" (according to a senior DA official). In the meeting, the director general referred for the first time to roles the prefectural official has to play, saying: "It is necessary for the prefectural office to give guidance when the relocation of bases is deemed necessary and come up with measures that could have villages and towns accept bases."

In response to Okinawa's strong request, the Japanese and the U.S. Government already agreed last May on the return and relocation of "three areas" — the Naha Port facilities and the Yomitan Auxiliary Airfield to somewhere in the island, and the training area for the live-fire exercises over the prefectural highway 104 to some place in mainland Japan. Although some sites have come up on a candidate list for relocation, local municipalities are opposing the relocation of bases to some sites in their towns.

Meanwhile, in deference to its stand of calling for the "return of all land" being used as bases, the prefectural side is negative about making coordination with towns and villages on the question of the relocation of bases to their places. In fact, the prefectural government's negotiations with local municipalities have been suspended.

Furthermore, in Japan-U.S. negotiations held so far on streamlining, consolidating and reducing the scale of bases other than the "three areas," the U.S. side seems to have proposed to secure substitute sites for the relocation as a condition for the return. For those reasons, the DA, concluding that it is necessary to create an environment for promoting a plan to "relocate" bases, intends to continue to ask for the Okinawan side's cooperation.

Japan: Security Alliance With U.S. Discussed

962B0031 Tokyo SENTAKU in Japanese Dec 95 pp 6-9

[Unattribed article: "Various Debates on 'Security Alliance' Surface in U.S."]

[FBIS Translated Text] If President Clinton's postponed November visit to Japan should materialize, it will put a cap of restraint on Japan which has begun to show signs of "alienation from the United States." It is attempting to reappraise the warped alliance consisting of relative economic equality combined with a totally subordinate relationship concerning mutual security. As this magazine has repeatedly pointed out, the basis for such thinking is the so-called 'Ney report,' which was drafted in February 1995 with U.S. Assistant Secretary of Defense Ney as the principal drafter. The Japanese Government plans to formulate a new defense plan outline based on the report and to announce it with much fanfare in the form of a joint declaration at the U.S.-Japan summit meeting.

Although Prime Minister Tomiichi Murayama promised verbally to "firmly uphold" the U.S.-Japan security treaty, he has striven to place himself in Okinawa's shoes as the Okinawan issue has proven. A trend has been created by Okinawa Governor Masahide Ota, the leading newspapers, and some opinion leaders in the private sector to "redefine" the security treaty at this juncture and to ultimately abrogate it. Meanwhile, views to respond to the Ney report supporting "maintenance of the status quo," arguments to strengthen the U.S.-Japan alliance following a "redefinition," and debates on abolition of the security pact have surfaced and have developed into a complex undercurrent of polemics engulfing both nations.

Ney Report Targets "Maintenance of Subordinate Relations"

Although the security treaty made Japan's material prosperity possible and brought on its spiritual degradation, is it not necessary to see it from the U.S. standpoint? It is not necessary to point out the crucial geographic role Japan played in the U.S. strategy vis-a-vis the Soviet Union during the Cold War. It is also a fact, however, that there was an aspect of "containment" to prevent Japan's runaway policies. It is not strange for the U.S. Government to seriously consider the need for a policy to "contain Japan" given an increasingly stronger Japanese economy and with the end of the Cold War and a diminished so-called Soviet threat.

"Containment" is imbedded in a absolute distrust of Japan. Lieutenant General Henry C Stackpole of the Third Marine Division stationed in Okinawa stated on 27 March 1990 in an interview with THE WASHINGTON POST that "nobody wants Japan's rearmament and resurgence. We therefore serve as the cap of restraint." He also said: "Japan has realized its Greater East Asia Co-Prosperity Sphere without the use of cannons." These statements probably emanated from the feeling that it would be horrendous if a nation that prospers economically becomes a military superpower; the cap, therefore, must never be removed.

The point is analyzed in the August 1993 issue of this magazine under the title: "The Era of the U.S.-Japan Alliance Is History: The United States Has Begun To See Japan as an Adversary." From 1992 to 1993, the United States compiled a report entitled: 'A Cap Must Be Placed on the Rising Sun: U.S. Strategy To Control Japan's Rise as a Global Power." The Aspen Research Institute played a leading role in its formulation. The report contended that with the disintegration of the Soviet Union as the U.S. military adversary, order will be destroyed not only in the United States but also throughout the world unless Japan's rise as a threat to U.S. economic interests is suppressed. The U.S. aim was to nurture Japan as a "civilian state," which would not pose a threat to Asia, which would curtail its military spending, and which would merely pursue its profits through international organizations. The report, which was drafted by members such as Vice President Gore and former CIA Director Woolsey, is immensely significant.

Coincidentally, at the time a U.S.-Japan confrontation took place. The Clinton administration attempted to keep Japan down by unabashedly presenting numerical goals at the U.S.-Japan framework talks while the Hosokawa administration resolved to firmly reject the numerical targets. Prime Minister Hosokawa, who visited the United States in February 1994, met with President Clinton and declared: "No." At the news conference which followed, Prime Minister Hosokawa stated: "We should never reach any ambiguous conclusion that glosses over any situation."

It was a frank statement, but it riled the Clinton administration.

At a discussion meeting on the defense issue, which originated under the Hosokawa administration (Kotaro Higuchi, chairman), a new defense plan outline was submitted to Prime Minister Murayama in August 1994.

Assistant Secretary Ney, a member of the Clinton administration who evinced great interest in Japan, was reportedly surprised to discover in the report expressions such as "an aggressive and constructive mutual security" and "a multilateral security treaty." His interpretation was that, at the framework talks, MITI [Ministry of International Trade and Industry] Minister Ryutaro Hashimoto and USTR [U.S. Trade Representative] Kantor exchanged "blows" and that Japan was indicating an "alienation from the United States" in the security aspect and had begun a search for a "multilateral" policy. This trend of thought formed the backdrop in drafting the Ney report.

A Variety of "Views on Abrogation of the Security Treaty"

At the time, the July-August issue of FOREIGN AFFAIRS magazine simultaneously carried an article by Assistant Secretary of Defense Ney and a caustic critique of the Ney report by Director Chalmers Johnson of the Japan Policy Institute. This provided a peg for the rise of various views in both nations on the U.S.-Japan alliance.

First, in the United States, the Pentagon and the Department of State simultaneously evolved public relations campaigns concerning the Ney report. Former Defense Assistant Secretary Armitage and former Pentagon Japan desk director Auer [as transliterated], who testified before the Asia-Pacific subcommittee of the House International Relations Committee on 25 October, unanimously voiced full support for the Ney report. However, it was noteworthy that Auer proposed that the government either revise its interpretation that "although Japan has the right of collective defense, it is not allowed constitutionally," which poses one of the obstacles to the present U.S.-Japan alliance, or that it revise Paragraph 2 of Article 9 of the Constitution. The reason is that, based on his article in FOREIGN AFFAIRS, Assistant Secretary Ney opposes Japan's revision of the Constitution. From the standpoint of the trend to contain Japan within the framework of a "civilian state," there is no reason to agree with constitutional reform.

Given their participation as members of the Ney report committee, senior researcher Cronyn [as transliterated] of the War College's National Strategy Institute and Department of Defense adviser Green [as transliterated] are naturally in favor of the Ney report. They wrote an analysis entitled: "A Redefinition of the U.S.-Japan Alliance: Tokyo's National Defense Plan," and backed the Ney report while analyzing the Higuchi discussion group's report.

In contrast to the Ney report which emphasized the need for "maintenance of the status quo," the Johnson article contended that the security treaty should either be changed from its current one-sided nature to reciprocity or be totally abolished. It was the isolationist Patrick Buchanan, with his widely recognized influence within the Republican Party, who proposed abrogation of the treaty in more outright and direct terms than the Johnson article. As early as 8 September 1991, he wrote in THE WASHINGTON POST that, because the United States has already abandoned its role as the world's policeman, the United States should give notice of actively discontinuing the security pact.

Furthermore, there is an argument for abolition of the treaty by the politically neutral Cato Institute, a Washington think-tank. The institute made a policy proposal to the Congress in November this year which stated that the U.S. forces should fully withdraw from Japan and South Korea within the next four years; that the U.S. Naval and Air Force bases in the Pacific region should be reduced; and that the ANZUS alliance formed by the United States, Australia, and New Zealand should disband.

The reasons given are that Japan, South Korea, Taiwan and ASEAN have promoted economic prosperity, Russia's threat has disappeared, China's threat has not extended to its neighbors, North Korea's threat has also been minimal compared to the erstwhile Soviet threat, and Japan shows no signs of becoming a military power.

In early November, the institute announced a report entitled: "Fatherly Benevolence and Dependence: The U.S.-Japan Security Relationship." It was more concrete than the February policy proposal and purports to fully withdraw the U.S. forces from Japan within the next five years and liquidate the alliance within the subsequent two years, with the U.S. forces withdrawing its frontline of defense to Guam. Japan's inability to escape its dependence on the United States due to the existence of the security pact, and its avoidance of security and politics in Asia, are given as reasons for the argument for abrogation. Although the report is by a private institution which will probably not be taken up by the Congress, it has the potential to arouse debate toward abolition of the security treaty.

In contrast to such a retrogressive abrogation theory, it was Professor Kenneth Pyle of the University of Washington who proposed a progressive treaty revision. The professor, who testified at the House Asia-Pacific committee with Armitage and Auer, began with the question of why the world's major debtor nation, with a trade deficit of $60 billion with Japan and a deficit in excess of $80 billion including imports from Japanese companies in Southeast Asia, should guarantee the security of the world's major creditor nation.

The professor proposed the following three steps: 1) Japan continues to follow the path of a "civilian state." 2) Japan shoulders a share of the balance-of-power in Asia including a nuclear option. 3) Adjust the bilateral economic system, cooperate in providing foreign aid such as ODA [official development assistance] and reappraise the security treaty in a direction where Japan can play a more equitable role in the mutual security aspect. Item one is in line with the Ney report, while two is the classic theory of the balance-of-power conceived by former Secretary of State Kissinger. After reviewing these points, Professor Pyle recommends three as the optimum step.

Polarization Also Gains in Japan

As was already explained, the Japanese Government drafted a defense plan outline closely resembling the Ney report. The significance of the security treaty, the language describing the content of mutual cooperation and the defense roles is strangely like the descriptions in the Ney report. If the U.S.-Japan summit meeting should materialize, the joint declaration on the alliance scheduled for the meeting would represent the Ney report itself, which reconfirms the necessity of the treaty. It would be a confirmation of the unchanged warped relationship.

Commentators who formerly served in the Foreign Ministry were the first to raise their hands in "agreement" with the Ney report. For example, former Ambassador to Thailand Hisahiko Okazaki conducted an interview with Director Johnson, which was carried in the September issue of THIS IS YOMIURI. Director Johnson posed the question as to "whether a stable U.S.-Japan alliance presently exists," and warned that, in case an emergency situation arose on the Korean peninsula and the Japanese stood watching on the sidelines, the sentiment of the American people could be to "nullify the alliance." Okazaki may agree on this point, but no such statement appeared in the magazine dialogue.

Toshi Morimoto, chief researcher at the Nomura Research Institute and a former director of the Foreign Ministry's Office of Mutual Security Affairs in the Information Investigation Bureau, has also written an article in the magazine entitled: "Fallacies in the Theory of Dismantling the Security Treaty." In addition, Yukio Okamoto, (an international consultant) who retired as director of the Foreign Ministry's First Division, North American Affairs Bureau, contributed an article in the August issue of the CHUO KORON magazine entitled: "Fallacies in C. Johnson's 'Theory on the Dismantling of the U.S.-Japan Security Pact'." Director Johnson did not advocate dismantling the security treaty but points out that dismantling would become inevitable in case of an emergency situation in Korea if the treaty is left to stand without efforts by the Japanese side. However, this point is not made clear. Nonetheless, both Morimoto and Okamoto point out that there is much room for self-reflection by the Japanese side, and it may be rash to classify all three former Foreign Ministry bureaucrats as totally in the "Ney camp."

Professor Emeritus Yoshihiko Seki of the Tokyo Metropolitan University and Professor Chubei Takubo of Kyorin University both stress the need to change the present conditions under which only the U.S. forces would be deployed in an emergency in Korea while Japan looks on idly under the pretext of its Constitution — as the Johnson article points out, and to revise the Constitution in a switch from unilateralism to reciprocity.

Professor Seki contends in his article "An Orthodox Theory," which was carried in the 2 November edition of the SANKEI SHIMBUN that, if constitutional reform is not feasible for the time being, the government should change its interpretation. Professor Takubo agrees with Professor Pyles's proposal and contends in his "Orthodox Theory" carried in the 17 November edition of the paper that a new alliance is necessary to strengthen bilateral relations. The thrust of the articles by the two professors is that conversion to an "engagement" is necessary wherein the United States abandons its "containment" policy and Japan participates aggressively in international problems by sharing responsibilities with the United States.

Setting aside the differences between the "pro-Ney faction" and the pro-Johnson faction," with the rape incident of the elementary school girl in Okinawa as a turning point, the argument for dismantling the treaty, which was popular during the antisecurity struggles of the 1960's, suddenly gained prominence in Japanese polemics. A typical argument was offered by Professor Motofumi Asai of Meiji Gakuin University, who entered the academic world after serving as director of the Foreign Ministry's China Affairs Division. In an interview with Yukio Okamoto in the December issue of the RONZA magazine and the Japanese edition of the 22 November issue of NEWSWEEK, he espoused the same view as the Japan Communist Party that the security treaty should be nullified because stationing U.S. troops in Japan is unnecessary.

Also, Shigeto Tsuru, who served as Hitotsubashi University president, wrote "A Letter to an Old Friend: A Reexamination of the U.S.-Japan Security Treaty" in the December issue of the SEKAI magazine, and he advocates a gradual downsizing of the bases while maintaining the mutual security system. This is de facto hollowing out of the security system. Governor Ota (Okinawa) also spoke about the security system in an interview in the same magazine, and his ultimate desire is for total removal of the Okinawa bases and abrogation of the treaty. Writer Yoshimi Ishikawa's interview with Mitsui and Co's Washington office director Jitsuo Terashima was carried in the December issue of the GENDAI magazine, in which the U.S.-Japan alliance is criticized.

Newspaper editorials have become polarized between the YOMIURI and the SANKEI, which support the treaty, and the ASAHI and MAINICHI, which advocate a turn toward a substantial reduction while affirming the system for the time being. It is indeed a strange phenomenon in an era when the Cold War no longer exists.

However, while the ASAHI says in its editorial of 22 November that it is not realistic to immediately and drastically change the system, it concluded in its 17 (November) edition that "the only way is to enhance trust in the region while making the best of the U.S. forces' role and to reduce the system's military weight." Does it bear in mind the regional collective security system? It appears to lead ultimately to an argument for the system's dismantling.

The "Okinawa Problem" as a Turning Point

When Prime Minister Murayama was in power, he changed his stance from his previous policy of "anti-security treaty" to "maintenance of the security treaty." When the Ney report surfaced in the United States and an agreement seemed to materialize on the treaty issue between the two nations, the Okinawa problem rose to produce a flurry of views with divergent nuances ranging from support to opposition in both nations. A strange situation of evolving mutual criticism exists. There is suspicion that, while expressing "support for the treaty," Prime Minister Murayama's true intention perhaps lies in "opposition." Abetted by the absence of leadership and while assuming that a summit meeting is held under such circumstances with "applause for the alliance," nothing can dispel the chill between Tokyo and Washington.

Assistant Secretary Ney, who accompanied Vice President Gore to Japan, displayed his deep concern at a news conference on 20 November when he stated: "The situation in North Korea has deteriorated with its possible turn toward adventurism." Also, Secretary of Defense Perry, who talked with a few people in Tokyo on 1 November, emphasized that he could not predict what might happen in North Korea. Although both statements are apparently intended to ease criticism of the security treaty, which was highlighted by the Okinawa problem, it is highly possible that the U.S. side has obtained some kind of information. In case of an emergency situation, will the divided national opinion in both nations be able to converge?

Judging from the inward-looking trend in the United States, serious consideration is necessary — as Assistant Secretary Ney has pointed out — as to whether the present level of 100,000 U.S. troops can be semi-permanently deployed in Northeast Asia. In the event of a path toward treaty abrogation, it would be absurd for Japan to be left without a substitute plan for its own national defense.

Japan: Experts Discuss Security Treaty, Okinawa Bases

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[Discussion by Hisahiko Okazaki, former Ambassador to Saudi Arabia currently an adviser to Hakuhodo and Chiyoda Chemical, and Noboru Hoshuyama, former director general of the Defense Facilities Administration Agency: "'Maintenance of Security' A Prayer? 'Expansion of Security' Agreed"]

[FBIS Translated Text] Hoshuyama: The unfortunate rape incident occurred on 4 September ((1995)), but the greatest fear for us at the Defense Facilities Administration Agency (DFAA) was that the handling of the case would not stop just at the incident and instead would involve the nucleus of the U.S.-Japan security system. The situation has not calmed down at all and talks are proceeding regarding base problems and a revision of the whole Status Agreement, which should be treated separately from the rape incident proper.

There are various reasons why this thing has happened such as the overcrowding of bases in Okinawa and the prewar and postwar history. The United States, even the president, immediately apologized, but at home, I think that the prime minister met with the governor of Okinawa, but has not spoken to the victim. An apology as the top administrator of Japan....

[Okazaki] To the people of Okinawa Prefecture?

[Hoshuyama] To the victim herself, which is another cause, rather than the people of the prefecture. The people of the prefecture probably after her, but the Security Treaty is a problem for all the Japanese people. As prime minister, he probably should have spoken more quickly to the victim....

[Okazaki] President Clinton immediately apologized, didn't he?

[Hoshuyama] Yes. Along with apologies on the American side en masse from the president, secretary of state, secretary of defense, and high U.S. military-related officers; they acted swiftly, including measures to prevent a reoccurrence. I heard that the prime minister mentioned it for the first time in a five hour meeting with the governor of Okinawa when the governor asked, "What do you think?"

[Okazaki] That probably was the greatest reason. It is necessary to express the idea of sympathy at the beginning and it naturally should not affect later problems.

[Hoshuyama] The governor of the prefecture himself initially started by saying that the incident and procedures for acquiring the title to use U.S. Forces in Japan land were separate problems. Consequently, there was the impression that it was calmly grasped in the prefecture.

[Okazaki] At that point in time, Governor Ota had said nothing about revising the Status Agreement or a large reduction of bases.

[Hoshuyama] Initially, it centered on the problem of provisions for handing over the perpetrators. Both the Japanese side and the U.S. military immediately became cooperative in a review, and Washington also made such a response.

[Okazaki] I was opposed to that since it created a seed for the action of immediate transfer to occur if there is an incident in the future.

[Hoshuyama] I believe that is true in principle. However, I think that it is good to have a review of the aspects of use. Yet, the opinion existed from the beginning of changing it by the text of the Status Agreement and further expanding it to revision of the whole Status Agreement. In addition, it ultimately was slipped from the so-called Two Plus Two U.S.-Japan Security Conference meeting held in New York on 27 September to the U.S.-Japan summit conference that was scheduled in November. There also is the aspect that the governor of the prefecture grasped as "solidification of Okinawa bases" where it was reported that they had discussed expansion and strengthening of the U.S. Japan Security Treaty.

[Okazaki] Murayama himself already spoke clearly at the joint Clinton-Murayama news conference in January about the problem of expanding the Security Treaty. He said, "The importance of maintaining the U.S.-Japan security system is commonly recognized. Both Japan and the United States have confirmed again further promotion of cooperation for the peace and prosperity of the Asia-Pacific region." In other words, the prime minister and the president agreed in January as a political judgement that the U.S.-Japan alliance was for the peace and stability of the whole Asia-Pacific region. Nevertheless, there was no need for the chief cabinet secretary to mention that purposely at a news conference taking advantage of a review of the "Outline of the Defense Plan." That was the chief cabinet secretary arbitrarily changing the prime minister's international speech.

[Hoshuyama] I believe that the part in which the prime minister extolled "maintenance of the U.S.-Japan security" was prepared in full consultation with administrative people. I am talking of the "words," and no problem has occurred just for them. When it comes to base problems, however, it is really the "action" part. Whatever the "words," the concept of "maintaining security" holds the concern that when it comes to the "action" phase, it will never happen.

[Okazaki] It absolutely should never happen. Everyone knows that Okinawan bases are important for protecting oil lines from the Middle East. Okinawan bases maintain the security of the whole Asia-Pacific and Indian Ocean. Even in a public opinion survey made by YOMIURI SHIMBUN at the beginning of December, half responded that "It is necessary for the stability of Asia and the Middle East" to the question, "Why is the Security Treaty necessary?" The Japanese people understand.

[Hoshuyama] That's right. So, words and actions coming from a person coordinating the Japanese Government or associated groups that inflate expectations that Okinawan bases will be greatly reduced without adequate study being conducted have caused a lot of doubts.

[Okazaki] That's true.

[Hoshuyama] The about 100,000 U.S. military said to be stationed in the Far East, not just Okinawa, are a forward deployment with a balance of the four services of the Army, Navy, Air Force and Marines as a whole, not half each in Japan and South Korea. It serves the stability of this region by that and if you try to reduce any of that on a large scale, the deterrent function cannot but drop fatally.

Therefore, since it is an indisputable fact that the burden for development of a great part of the U.S. military bases in Japan has been placed on Okinawa, how will this be relaxed? If it cannot be relaxed by bases, can some substitute measure be taken? I believe that should probably be the government thinking. Actually, however, they have proceeded in the direction of causing expectations of base reductions in one stroke because of the incident.

Can the "Okinawan Burden" Be Relaxed?

[Okazaki] In the recent U.S.-Japan joint public opinion poll of YOMIURI SHIMBUN, they asked, "Do you think that U.S. forces stationed in the Far East should be reduced?" and many answered, "I think so." That is not something that should be asked in a public opinion poll. There are no opinions in things asked in a public opinion poll. If they are to ask, they should ask the reason for reducing them and which portions, but no one would be able to answer this. They are asking something that cannot be answered. For example, if they ask in a public opinion poll, "Should the government budget be reduced?" Generally speaking, you are bound to say that it should be reduced. (laugh) It is not a problem that should be asked in a public opinion poll. Asking whether or not the Security Treaty is necessary and judging on the amount necessary is a matter that should be left to experts.

Essentially, we do not know what is absolutely necessary for armament.

One gun and one shell can destroy one target. That does not mean that it would be fine with one gun and one shell. If the enemy attacks, they will attack to demolish us and we must resist. It has the character of achieving results in the end with many guns and many shells and with the anti-aircraft fire to protect them. Fixed numbers are rather difficult.

Yet, there are comparison problems. Frankly speaking, we are obviously compared to Europe. Now, a debate has come from well-intentioned people in the United States that troops should be reduced on Okinawa. Mike Mochizuki and others have written treatises with that purport. In those cases, however, these military units have been brought here and detailed debate has been made on whether that should be done when the need arises. Such a detailed debate is necessary for reduction of U.S. forces stationed in the Far East.

However, the 100,000 U.S. servicemen stationed in Europe was set at 100,000 just because it would be strange to reduce the previous 300,000 more than in Asia. Even if 20,000, for example, are withdrawn from Europe, there is no need to make such calculations such as 20,000, etc. in this way if the need arises. Therefore, it is meaningful if the United States makes cuts from Europe. However, if cuts are made in Asia, a theory will be necessary on what to substitute for that portion. The need for a theory to substitute for cuts already was necessary from the beginning. (laugh)

[Hoshuyama] Such a study must be the basis. Consequently, aside from the problem of what the people who are bearing that burden say, there should be a judgement as a nation. If the burden must be placed on Okinawa, I think that there should be a national debate as to what to do about that.

[Okazaki] Since you were director general of the DFAA, I wonder what the actual situation was with "the Okinawan burden." he sugar cane industry is big there, isn't it? It is said to be 25 billion yen annually. However, I have heard that the base use fee is 75 billion yen, three times that.

[Hoshuyama] I hear that the amount of sugar cane production was slightly less that 23 billion yen in 1992. The facilities rental fee for fiscal 1995 was 67.4 billion yen, and in addition, the base employee-related figure was about 50 billion yen, and surrounding area countermeasure expenses were about 39 billion yen.

[Okazaki] It is rather large as revenue. That being the case, the biggest problem is that if it is returned, land that has high economic efficiency will only be one portion of it that way.

[Hoshuyama] That part naturally would be the Futenma Airfield of the Marines.

[Okazaki] Hasn't there been the idea that a higher land rent should be paid for that portion?

[Hoshuyama] The problem of land rent has been studied for sometime. Since the current appraisal amount started from the appraisal for wilderness when it was requisitioned some 10 years ago, there has been dissatisfaction for sometime that even though the neighboring area later has developed or come to be made residential land, an appraisal equivalent to this has not been obtained or that a rental fee has been received for only a low land category.

[Okazaki] That's right.

[Hoshuyama] Yes. Since it cannot be improved at one stroke, we have been making an effort for several years constantly to raise it little by little with objective data. This part is being resolved little by little among the landowners. Consequently, in the recent negotiations, there were a total of 32,000 landowners and 91 percent agreed and put their stamp on it. Of the majority of the remaining 9 percent or less than 3,000 who turned down the contract, the principal or mayor signed the land protocol necessary in acquisition procedures. The majority of these 3,000 people are so-called "one-tsubo [about 4,000 sq. yds.] antiwar landlords," and ordinary landlords are on the order of 100 and some people. So, those finally remaining for the governor or prime minister were no more than 35 people extending over three cities.

[Okazaki] Are these people antiwar landlords?

[Hoshuyama] They are the so-called one-tsubo antiwar landlords.

[Okazaki] Then, they are people for which it is not just a money problem.

[Hoshuyama] That's right. It is a little bit of land in the middle of the runway, but it is in the form of joint ownership by thousands of people.

[Okazaki] Can't it be resolved with money for such people?

[Hoshuyama] I don't think that it can. Consequently, we have had to act in the form of applying provisions of the Compulsory Purchase of Land Act in order to acquire the title to use it. This is the fourth time for this procedure, but it takes a period of about three years. First, it begins with an inquiry to the other parties on whether they will comply and we go around getting the stamp of the people who will comply. This extends nationwide and there even have been cases where they have moved abroad due to work transfers or something. In any case, if the contract is turned down, we need the signature and stamp of the principal, mayor, or governor before getting to the starting point of bringing it before a land expropriation committee.

Base Return or Illegal Occupation

[Okazaki] Ultimately, however, Murayama probably is trying to handle it like you said.

[Hoshuyama] Except for the timing and action committee and conference problems, I am afraid that it is becoming like the "opinion report" for the most part. The trial will begin soon. The administration, including the prime minister, cannot say anything about the trial. There are not many examples in the past of how long this will take. There are examples where it has taken on the order of several years. If such a thing happens, it will become a mess.

[Okazaki] In that case, will the U.S. military bases become an illegal occupation? Is there no room for a legal redress?

[Hoshuyama] No. If there were emergency legislation, it would be different but under the current situation, there would be nothing but return them. Or, if the Japanese Government implemented its obligations under the Security Treaty, occupying them without a legal basis. It is divided into those two choices. The deadline for one case is 31 March. Another is 14 May 1997. There are many of these.

[Okazaki] If that is so, there is a great possibility that the trial will not end.

[Hoshuyama] I don't know how long the trial will take, but supposing that it will take three months and the suit is won there, the prime minister can sign for the first time. Then the hearings of the land expropriation committee based on the Compulsory Purchase of Land Act will begin. I don't know how long that will take. Compared to the past, it is certain only that it will be very late and I am concerned.

[Okazaki] Acquisition is not legal after the prime minister signs, is it?

[Hoshuyama] No. The cases to go before the expropriation committee just are settled. Once the expropriation committee gives its approval, once more there is a "public notice/reading." Then there is again the public notice/reading procedures of the application for the mayor's ruling. If the mayor says no, it goes to the governor. Then if the governor says no, once more there is a recommendation, order, trial procedures and it comes to the prime minister. We are entering a process that takes a very long time.

[Okazaki] From a common sense outlook, there will either be return or illegal occupation.

[Hoshuyama] Only one thing is left. A method remains whereby when the prime minister signs the land protocol and it goes before the expropriation committee, the expropriation committee makes an emergency extension of the deadline for a six-month period for the portion where the deadline is getting near. However, this would be if it were the judgment of an expropriation committee appointed by the Okinawan governor, not a national judgment.

[Okazaki] That, of course, is after the trial has ended.

[Hoshuyama] That's right. It is after the first trial has ended. Since that is anticipated, it should be done as soon as possible. Moreover, the majority of the people or the mayor have affixed their own seal. When I worry about delaying the whole procedure for 35 people, this is purely my standpoint and opinion as an administrative officer.

[Okazaki] The Status Agreement is not a law, but an obligation under the treaty. The Constitution declares that treaty obligations must be respected. So, it would not be strange to keep treaty obligations and continuing providing the bases for the time of judging a request for return by the landowner when time runs out.

[Hoshuyama] I wonder what phenomena will occur supposing if the expropriation committee does not make an emergency extension on 31 March? The problem that I am concerned about is that an eviction demand will occur. There will be chaos if it seems that there will be a use of force in eviction. Such a thing must not happen, but it is feared that the trust of the U.S.-Japan relationship inevitably will be upset.

Since I think that there are things such as old antiwar, antisecurity feelings lurking at the bottom, if there is a group behind the scenes, I think that it probably will be very serious.

[Okazaki] Is that group affiliated with the Social Democratic Party of Japan (SDPJ)?

[Hoshuyama] I don't know the details, but the antisecurity, antibase forces are rather strong.

[Okazaki] If it is the Japan Communist Party (JCP), that can't be helped since they have been against security from the beginning. The JCP is a really small number and does not represent the mind of the people. It can be said that they are a very small number who do not represent the mind of the people, can't it?

[Hoshuyama] That is right. However, perhaps ingratiating themselves, they officially are handling it as a simple case using the recent incident. Actually, you cannot go so far as to say that it is against security and I think that there is a force which is taking a firm stand to win popularity that it was because there are bases or to disperse them. There is the aspect that having such a debate can be understood in Okinawa, but that has spread to Tokyo and spread to prefectures or cities and towns where there are many Self Defense Force (SDF) bases. It is broadening so that revision of the Status Agreement is being resolved in prefectural assemblies and given this, it has become a situation where even some legislators of the ruling party are saying that they should review the Status Agreement.

If There is Negotiation, With "a Different Administration"

[Hoshuyama] For the past half century, the Okinawan people have endured a big burden. It is an undeniable fact that feelings have exploded with the recent incident. Up to now, the base problem has not been treated in nationwide terms. Except for some, even intelligent people do not know this very well. I think that it will be fortunate if we take this incident as an opportunity to treat this as a public issue and one of the basic problems of security.

In the United States, even the president himself immediately apologized for this brutal incident. However, the response of the Japanese side to this, even after the president apologized, has been to debate on a large scale the reduction of bases, revision of the Status Agreement, and this has happened because of the Security Treaty. This has to be called inappropriate for the stance of a nation towards its only ally and lacks decorum.

Some of the people saying that it is so and the government ignoring it have a completely different influence on abroad. I think that a sharp distinction probably should be made here.

[Okazaki] Basically, this is a domestic problem and it is wrong to immediately complain about it to the United States.

[Hoshuyama] The United States has dealt with the complaint portion.

[Okazaki] Exactly.

[Hoshuyama] If it is made a more basic problem, it should be done taking time and after adequate and calm debate. The Status Agreement and U.S. bases in Japan are two sides of the security treaty and its essence. It has been 23 years since Okinawa was returned, and during this time, both the United States and Japan have made efforts, but it has been very difficult such that 15 percent has been returned. What remains is the portion that is important for the deterrent function presence of the United States fully to be accomplished in this area based on the Japan-U.S. Security Treaty. Wanting to reduce that greatly has taken a leap to a basic study including what the Security Treaty should be and brought the flare up of the incident to Washington. I think that it was really poor handling.

This is not a matter of whether or not Ambassador Okazaki and I believe so. Concern really has been generated in the United States that Japan is saying the words "maintenance of security," but are their specific actions on the base problem which is part of the security treaty core agreeing with that? This is very regrettable.

[Okazaki] All the U.S. national defense-related people just say why doesn't the Japanese Government explain to the Japanese people that the security treaty is important?

[Hoshuyama] The prime minister probably is planning to explain the importance of the security treaty, but the essence of maintaining security from the viewpoint of the United States is the stable provision of a base function. Another is the appropriate provision of a self defense force and provision of a joint posture with U.S. forces by Japan, but when it comes to the part of that "action," it has ended up unclear.

[Okazaki] It is contradictory.

[Hoshuyama] Maintenance of the U.S.-Japan security system cannot be accomplished by a prayer. It probably is a fact that the effort for stable provision of the base function and the effort for a replete SDF both are problems unlikely to be popular with the people, but an effort by the Cabinet to seek the cooperation of the people in this is necessary.

In any case, without previous debate as to whether bases would be reduced if a demand is made to the United States, or if the SDF should be reduced since the cold war has ended, or if the budget should be reduced, I think that there is the aspect that we have proceeded in that direction.

[Okazaki] That has escalated more and more recently. According to the observation of a newspaper reporter, the Kantei at present is looking good. During the past year, everyone had been markedly disappointed with the maintenance of security and constitutionality of the SDF, but recently, spirits have been high and the old atmosphere of the antiwar movement has returned.

[Hoshuyama] It is said that they will establish an Okinawa Facilities and Area Special Action Committee between Japan and the United States and an Okinawa U.S. Military Base Problem Council for the discussion of future base reduction during the year. I could not support the establishment of these and the toss of a big ball to the United States itself, but I don't think there will be a problem to that extent because they will work with attention paid to accomplishing the objectives of the U.S.-Japan Security Treaty and harmony with local demands.

However, if they discuss this with proper discernment, the result probably will not be "a consolidation and reduction of bases in a form that can be seen by the eye" that would swell the expectations of the Okinawan governor and others. If that happened, wouldn't it weaken the security structure? Isn't there a great fear that it would end up greatly reducing the deterrent power of military units with about 100,000 servicemen deployed in Asia? What will happen when a result is produced that does not satisfy what the governor is demanding? It is a public issue.

[Okazaki] The saving grace is that it will take a year. The United States also is considering various things rather conscientiously. If they negotiate, they should negotiate with an administration that has the same thinking as the United States on how to use bases with maximum effectiveness, perfectly understanding the significance of the U.S.-Japan alliance. They should not negotiate with a government that thinks they will win if they take a little by pushing and pushing with an anti-base movement or will push more.

[Hoshuyama] I think that is right. I think that how really to make the U.S.-Japan alliance function well for Japan and the world will be carried out frankly and calmly after throwing away the ideology of the past.

[Okazaki] With the present outlook, bases will not be reduced much. There is no gain for the Okinawan people making so much noise about that. Yet, with this incident, they should obtain as many concessions as possible from the Japanese Government. I think that is the best for the Okinawan people. They will obtain little with this much noise against the United States and it likely would be a waste of time and effort.

[Hoshuyama] Along with that being so for the people of the prefecture, even greater would be the damage given to the U.S. relationship of trust with Japan. I think that the Japanese people do not want that.

[Okazaki] I would like the Okinawan people to understand that they are a member on board the boat of Japan and if the boat sinks, all will perish. The Okinawan people are angry because their own room is close to the engine room, it is hot and noisy and this is unfair. In any case, since someone must live next to the engine room, they should receive adequate compensation for that. That is all.

[Hoshuyama] The Japanese Government could do it by the DFAA, or through the Okinawa Development Agency, or through the Ministry of Transport, even the Ministry of Agriculture, Forestry, and Fisheries would be fine. I think that it will be a matter of various ministries and agencies sharing the burden. The government has been making that effort for some time, but I think that it will be calmly and comprehensively evaluated as to whether that is adequate.

Japan: Editorial Urges United Global Fight Against Terrorism

OW1903014096 Tokyo YOMIURI SHIMBUN in Japanese 17 Mar 96 Morning Edition p 3

[Editorial: "International System Must be Created to Fight against Terrorism]

[FBIS Translated Text] On 13 March, leaders from around the world met for the "Summit of Peacemakers" in the Egyptian Red Sea resort of Sharm el-Sheikh to emphasize the need to form a united global fight against terrorism and support the five-year-old Middle East peace process.

The one-day summit, chaired by U.S. President Bill Clinton and Egyptian President Honsi Mubarak, was attended by leaders from 29 countries, including Britain, France, Germany, Italy, and Canada. Russian President Boris Yeltsin was among the participants.

Representatives from the Middle East were Israeli Prime Minister Shimon Peres, Palestinian Authority President Yasser Arafat and King Hussein of Jordan, as well as the Moroccan king and Turkish president. Japan was represented by Foreign Minister Yukihiko Ikeda.

The leaders ended the unprecedented conference by issuing a statement that called for global efforts to: 1) Reinforce the Middle East peace process with security and financial assistance; 2) combat every and any terrorist attack; promote cooperation among regions and nations in defeating terrorism.

From late February to early March, scores of Israeli citizens were killed by suicide bombings by Islamic militants in Jerusalem and other areas, acts that have brought the peace process to the brink of collapse.

In light of this imminent crisis, we have urged the international community to join hands in extending its utmost support for the antiterrorist struggle in pursuit of a peaceful settlement of the Middle East problem. The leaders should be given full credit for their prompt gathering and antiterrorist statements.

The Summit of Peacemakers must have cemented the resolve of Peres and Arafat to stay on a peaceful course.

We hope the summit will help eliminate uncertainties harbored by Israelis and Palestinians about the fate of the peace process and, most importantly, keep intact their support for it. The international community must continue to encourage all parties involved in the peace process and extend both moral and financial support to their efforts so that they will not be left helpless.

Another important result of the summit was that major industrial powers impressed the world with their firm resolve to defeat terrorism. Whatever the motive, any terrorist activity must be condemned. Any nation that supports terrorism must be prepared to take stern punishment from the international community.

This rule should be the norm for every nation to deter any nation sympathetic to terrorists from supporting their barbaric activities.

It goes without saying that the global community should not be complacent in issuing a political statement concerning terrorism. The 29 leaders formed a "working group" that is to prepare specific recommendations to combat terrorism, reporting back in 30 days. We hope the group will produce antiterrorist measures that will truly work.

It should be noted that Prime Minister Ryutaro Hashimoto had to give up attending the antiterrorist summit because of confusion in Diet debate on the budget that included a plan to use taxpayers' money to liquidate failed jusen housing loan companies. It was a pity he did not go to the summit, even though domestic circumstances were so pressing.

Had the Diet situation been under control, the prime minister could have attended the conference and impressed other nations with Japan's commitment to the global fight against terrorism. Hashimoto was the only leader among those of the seven leading industrialized nations who did not attend. His absence could give international community cause to think that Japan is unenthusiastic toward the antiterrorist struggle.

Politicians in this country must work to solve innumerable problems today, including increased tension in the Taiwan Strait. It would be a shame if Japan gets so bogged down in the jusen problem that it cannot act as a responsible member of the international community.

Japan: Aim of Foreign Minister's Visit to Moscow 20 Apr

OW1803140896 Tokyo KYODO in English 1343 GMT 18 Mar 96

[FBIS Transcribed Text] Tokyo, March 18 KYODO — Foreign Minister Yukihiko Ikeda will meet with Russian President Boris Yeltsin in Moscow on Wednesday ahead of a Japan-Russia summit meeting in April, foreign ministry officials said Monday [18 March].

Ikeda, leaving for Moscow on Tuesday for regular ministerial talks with Russian Foreign Minister Yevgeny Primakov, will also deliver a message from Prime Minister Ryutaro Hashimoto when he meets with Yeltsin, the officials said.

Hashimoto's talks with Yeltsin are expected to take place during the April 19-20 summit in Moscow of the world's seven major economic powers plus Russia on nuclear power safety.

Through Ikeda, Hashimoto will tell Yeltsin that he regards the bilateral summit talks as a crucial chance to resolve the deadlock over disputed islands off northern Japan which has hindered the two countries from signing a peace treaty.

Ikeda will convey Hashimoto's hope for holding fruitful discussions with Yeltsin in April based on the 1993 "Tokyo Declaration," which calls for an early solution to the territorial row based on "principles of law and justice," the officials said.

Yeltsin, in a 1993 meeting in Tokyo with then Prime Minister Morihiro Hosokawa, said Russia would withdraw its troops from the four Russian-held islands off northern Japan with the exception of border guards.

The dispute over sovereignty over the four islands — Shikotan, Kunashiri, Etorofu and the Habomai group of islets, all northeast of Japan's northernmost main island of Hokkaido — has been the principal stumbling block to the signing of a bilateral peace treaty.

Japan has long demanded the return of the islands, which were captured by former Soviet troops at the end of World War II.

Ikeda will also express support for Yeltsin's efforts to put a market-oriented economy on track in Russia in a bid to shift the lopsided gravity of Tokyo's relations with Moscow more to the economy from politics, the officials said.

As a confidence-building measure, Ikeda and Russian First Deputy Prime Minister Oleg Soskovets will also hold the first meeting of a Japan-Russia governmental committee on trade and economic issues, the officials said.

During the committee meeting, both nations are expected to adopt a joint paper that will call for promotion of decreasing Russian commercial debts to Japan.

Meanwhile in Moscow, Deputy Foreign Minister Alexander Panov, who is in charge of matters in the Asia-Pacific region, told Russia's ITAR-TASS news agency that Japanese Defense Agency Director General Hideo Usui will soon visit Russia.

It will be the first official visit to Russia or the former Soviet Union by a Japanese defense minister.

Usui is expected to hold talks with Russian Defense Minister Pavel Grachev.

Panov said Russia is placing an emphasis on expansion of relations with Japan.

Japan 'Intends To Reconfirm' Tokyo Declaration to Russia

OW1903095796 Tokyo NIHON KEIZAI SHIMBUN in Japanese 18 Mar 96 Morning Edition p 2

[FBIS Translated Text] During his visit to Russia beginning 20 March, Foreign Minister Yukihiko Ikeda will meet with Russian President Boris Yeltsin, Foreign Minister Yevgeniy Maksimovich Primakov, First Deputy Prime Minister Oleg Soskovets, and other Russian leaders in Moscow. This is the first visit to Russia by a Japanese foreign minister since then-Foreign Minister Tsutomu Hata's visit in March 1994.

At the foreign ministerial meeting, Japan intends to reconfirm the "Tokyo Declaration" that was concluded in October 1993. The declaration calls for early settlement of the northern territorial issue, the biggest pending issue between the two countries. The Japanese Government has considered the Russian domestic situation, in which the patriotic and nationalistic atmosphere is growing due to the June presidential election, it believes that "It would be wiser not to delve too deeply into a territorial issue that could be used as a tool in political conflicts."

Considering that Russian Communist Party Chairman Gennadiy Zyuganov is regarded as a presidential hopeful, it is certain that the Russian situation will become more unsettled after the presidential election. Depending upon the election results, it is feared that the bilateral relationship could worsen drastically. The primary purpose of Ikeda's visit is to "fortify the basis of the bilateral relationship before the presidential election," in anticipation of an unstable Russian situation.

In particular, Japan will demand that Russia continue with its reformative policies, while vowing to support Russia so long as it maintains its reformative stance. In addition, Japan will suggest expanding exchange programs with the four northern islands, as well as strengthening bilateral security dialogues.

Japan: Foreign Minister Leaves for Moscow 19 Mar

OW1903120196 Tokyo KYODO in English 1022 GMT 19 Mar 96

[FBIS Transcribed Text] Tokyo, March 19 KYODO — Foreign Minister Yukihiko Ikeda left Tokyo for Moscow on Tuesday [19 March] evening for talks with high-level Russian Government officials in advance of a summit between Prime Minister Ryutaro Hashimoto and Russian President Boris Yeltsin in April.

During his stay in Russia, he will hold the sixth round of regular bilateral foreign ministerial talks with his Russian counterpart, Yevgeny Primakov, government officials said.

The last such meeting was held in Tokyo in March 1995 between then-Japanese Foreign Minister Yohei Kono and then Russian Foreign Minister Andrey Kozyrev.

Ikeda will seek to reaffirm the 1993 "Tokyo declaration," which calls for an early resolution of a long-simmering bilateral territorial dispute based on "principles of law and justice," the officials said.

The row over four Russian-occupied islands off Japan's northernmost main island of Hokkaido — Etorofu, Kunashiri, Shikotan and the Habomai group of islets — has been the main obstacle to the signing of a bilateral peace treaty.

Separately, Ikeda will hold talks with Russian First Deputy Prime Minister Oleg Soskovets in the first meeting of a Japan-Russia governmental committee on trade and economic issues, the officials said.

He will also pay a courtesy call on Yeltsin to convey a message from Hashimoto and exchange opinions on issues of interest to both nations, they said.

Hashimoto and Yeltsin are to hold a bilateral meeting during the summit of seven major economic powers plus Russia on nuclear power safety in Moscow on April 19-20.

Ikeda will return home Thursday morning.

Japan: Nuclear Safety Summit Seen Resolving To Close Chernobyl

OW1603143196 Tokyo KYODO in English 0848 GMT 16 Mar 96

[FBIS Transcribed Text] Tokyo, March 16 KYODO — Top leaders of the world's seven major economic powers and Russia will affirm next month the principle of shutting down Chernobyl and other unsafe reactors and banning nuclear waste dumping in the sea, Japanese Government sources said Saturday [16 March].

The eight leaders will confirm that principle at their meeting in Moscow on April 19-20.

The summit is also likely to agree on international cooperation on protection of plutonium and other nuclear substances from dismantled nuclear weapons, according to the sources.

The summit will be an occasion for the leaders to express their determination again to improve nuclear safety a decade after the Chernobyl nuclear disaster in Ukraine on April 26, 1986.

The gathering is designed to discuss the safety of commercial reactors and safety control over nuclear waste and nuclear substances.

It will be attended by Russian President Boris Yeltsin and leaders of the Group of Seven (G-7) industrial nations — Britain, Canada, France, Germany, Italy, Japan and the United States.

Ukrainian President Leonid Kuchma will be also invited to some of the discussions.

According to the sources, the meeting will pledge efforts to improve the safety of reactors, confirm the principle that safety precedes economics, and agree to promote the signing and ratification of a nuclear safety treaty compiled in 1994.

The summit will also affirm the principle of shutting down reactors that fail to fulfill safety standards, with the G-7 leaders particularly wanting to ask for the closure of the Chernobyl nuclear plant by 2000.

They also aim to urge Russia to endorse an international pact banning the dumping of nuclear waste in the sea. The sources said Moscow has shown signs of accepting the request during working-level consultations so far.

On safety management of nuclear substances, the meeting will promise international cooperation through exchanges of information between customs and police authorities to prevent them from flowing out of former Soviet republics.

They will also vow to cooperate on protection of facilities to store nuclear substances and measurement of such materials. Japan can contribute to the plan in terms of its censoring and security system technologies, they said.

The summit hopes to agree to publish the amounts of plutonium and enriched uranium from dismantled nuclear arms, and put them under inspection by the International Atomic Energy Agency.

The leaders are also likely to agree to strive to complete a comprehensive test ban treaty, the sources said.

Japan: Kubo Holds Talks With Australian, Malaysian Ministers

OW1603154696 Tokyo KYODO in English 1455 GMT 16 Mar 96

[FBIS Transcribed Text] Kyoto, March 16 KYODO — Australian Finance Minister Peter Costello on Saturday [16 March] expressed Australia's readiness to conditionally participate in a proposed emergency cash facility for the International Monetary Fund (IMF), Japanese officials said.

There are certain conditions to be met for Australia to take part in discussions on the proposed doubling of the IMF's General Arrangements to Borrow (GAB) facility, Costello was quoted as saying in a meeting with Japanese Finance Minister Wataru Kubo in Kyoto.

But Costello did not clarify the conditions, the officials said.

Australia had previously been negative about the doubling of the GAB fund, citing uncertainty about how the money is spent under the expanded GAB mechanism.

The GAB calls for providing the IMF with supplementary cash to avoid financial crises like that in Mexico. It is now controlled by 11 industrial nations — the Group of Seven nations, and Sweden, Belgium, the Netherlands and Switzerland.

Many other Asia-Pacific nations have been courted as potential donors to the IMF fund.

Kubo and Costello met shortly before attending a two-day conference of finance ministers from the Asia-Pacific Economic Cooperation (APEC) forum.

Before a banquet to mark the start of the APEC meeting, Kubo held a series of talks with other APEC finance ministers.

During a meeting with Thai Finance Minister Surakiat Sathinanthai, Kubo showed a positive stance toward a Thai request for Tokyo to host an Asia-Europe meeting of finance ministers, the Japanese officials said.

Japan was asked to sponsor such a meeting in 1997 in a statement adopted by the Asia-Europe Meeting (ASEM) in Bangkok earlier this month, the first summit of Asian and European leaders.

In talks with Malaysian Finance Minister Anwar Ibrahim, Kubo expressed Japan's preparedness to cooperate in developing the mekong river basin, according to the officials.

Japan is studying what it can do with the Manila-based Asian Development Bank as the core of cooperation for development projects there, Kubo was quoted as saying.

Japan: Kubo, New Zealand's Birch Reaffirm Ties

*OW1903073196 Tokyo KYODO in English
0418 GMT 19 Mar 96*

[FBIS Transcribed Text] Tokyo, March 19 KYODO — Japan has to settle the bad loan mess at financial institutions and reconstruct its tight fiscal conditions, Finance Minister Wataru Kubo said Tuesday [19 March] in talks with his New Zealand counterpart, Bill Birch, Japanese officials said.

As pressing tasks facing Japan, Kubo cited the settlement of huge amounts of problem loans at seven failed housing loan companies, as well as a reduction in the budget deficit, the officials said.

Birch, who attended a meeting in Kyoto last weekend of finance ministers from the Asia-Pacific Economic Cooperation forum, paid a courtesy call on Kubo before leaving for New Zealand.

Kubo and Birch reaffirmed that it is important for the two countries to maintain good relations for the sustainable growth of the Asia-Pacific region, the officials said.

Japan: Okinawa Assembly Urges PRC, Taiwan To Halt Military Drills

*OW1903085296 Hong Kong AFP in English
0800 GMT 19 Mar 96*

[FBIS Transcribed Text] Tokyo, March 19 (AFP) — The southern Japanese province of Okinawa urged China and Taiwan Tuesday [19 March] to halt military exercises off one of its islands, saying that the drills threatened the lives of Okinawan fishermen.

Okinawa's prefectural assembly unanimously adopted a resolution, denouncing not only China's missile exercises in waters near Okinawa's southernmost island of Yonaguni but also Taiwan's periodic firing drills in the area.

Yonaguni is located some 130 kilometers (80 miles) east of Taiwan.

China on Tuesday launched its latest round of war games in the Taiwan Strait, in an attempt to intimidate Taiwan ahead of the nationalist presidential election on Saturday.

Okinawa cannot overlook the drills because they do "not only threaten the safety of operations by fishermen but also destroy the foundation of their livelihood from the bottom up," the prefecture said.

The secretariat of the Okinawan assembly said Taiwan had been conducting firing drills in the high waters halfway between its main island and Yonaguni but "their frequency has rapidly risen in March, compared with January and February."

Japan: Article Reviews DIA Report on DPRK's Weapons

*OW1903014996 Tokyo SAPIO in Japanese
13 Mar 96 pp 10-12*

[Article by Journalist Takashi Kakuma: "Pentagon's View on North Korea's ABC Weapons"]

[FBIS Translated Text] Impatience and anger towards the President, who has misjudged reality and made an excessive number of opportunist decisions, are now swirling about in Washington, D.C.military circles. This magazine has obtained a report on "North Korea's dangerous strategy" secretly compiled by the Defense Intelligence Agency (DIA) at the end of last year. Simply entitled "North Korea," this secret report was submitted to Senate Armed Services Committee members. The report may have a great impact on Congress and may cause a major change in U.S. policy toward North Korea in the presidential election year. The following are excerpts from the report, which also has a lot to do with Japan's security.

1. Report on Development of Nuclear Weapons

The United States is now facing a critical dilemma concerning its basic stance toward the Democratic People's Republic of Korea (DPRK). The U.S. Government has naively received very favorably the DPRK's claim to have "completely abandoned the nuclear development program" and has established the Korean Peninsula Energy Development Organization (KEDO). Based on the "Geneva Accord," the agreement that "replacement energy (heavy oil) will be supplied for approximately five years until the first light-water reactor is completed" is being implemented. However, checking on a variety of materials collected by military and technical specialists does not yield any positive proof that the DPRK has really given up its intentions to develop nuclear weapons.

Although the DPRK's graphite-moderated reactors and related facilities are temporarily "frozen," there is no guarantee they have been fully dismantled. Besides, only the above are under IAEA (International Atomic Energy Agency) surveillance; and if related technologies are secretly developed somewhere else, there will be no way to check on them.

2. Report on Means of Transporting Nuclear Weapons

Research and development for improving the "Nodong-1," an intermediate-range ballistic missile test-fired at Japan in May 1993, has continued. Our intelligence network has even detected the existence of mock-ups of new missiles, "Taepo Dong-1 and -2," whose ranges are said to be 2,000 to 3,000 kilometers upon completion. While it is well known now that the DPRK is desperately promoting miniaturization of poison-gas and bacteriological warheads, ballistic missiles such as the "Nodong" and "Taepo Dong" can carry "nuclear" warheads.

The reason the DPRK continues to almost openly develop and manufacture such a means of delivering costly nuclear weapons is that it intends to develop and complete those nuclear arms.

3. Report on Development of Biological and Chemical Weapons

The Korean People's Army (KPA) keeps its 1.2 million troops — if a security unit and a border garrison are also counted — prepared for action all the time. Heavily armed with over 5,300 tanks and more than 10,000 antiaircraft missiles, the KPA keeps working out an offensive strategy.

To achieve its national goal of "bringing South Korea fully under its control," the DPRK has no pangs of conscience about mass-producing biological (bacteriological) and chemical (poison gas) weapons. Speaking of biological weapons, it is inferred that although means of mass destruction that cause anthrax or the plague have already been developed, the DPRK has not reached the stage of miniaturizing and mounting them as missile warheads, since its science and technology have not matured.

With regard to chemical weapons, however, the DPRK is at the top level in the world. It is certain that it mass-produces and stores all sorts of chemical weapons such as nerve and vesicant gases. It has more than enough chemical weapons to load all of its heavy weapon delivery systems such as guns and rocket launchers, and the weapons could also be distributed to all of the army — 1 million soldiers — depending on the situation. In addition, many corps specializing in poison gas weapons have been organized and constantly undergo practical training. Besides, not only regular army soldiers but also civilians who would be used as combatants in wartime periodically receive chemical warfare training.

4. Report on Inspection and Reconnaissance Satellite

Unfortunately, the inspection decided under the "Agreed Framework" of October 1994 is of "nuclear facilities" only. Moreover, the inspection is limited to the area in and around Yongbyon, north of Pyongyang. Where the extracted plutonium — the cause of suspicion about North Korea's nuclear program — goes, and how it is treated, are virtually unknown. Our analysis of information is troubled by the existence of a large number of secret underground plants. Even using a reconnaissance satellite (capable of detecting an object at dozens of centimeters above the ground), it is difficult to grasp what is going on. The "Scud-B" — a much improved version of the former Soviet Union's "Scud missile" — with a range of 3,000 kilometers and a 1-ton warhead, and the 500-kilometer range "Scud-C" are being developed and produced at secret factories deep under the ground. With regard to nuclear arms, the possibility that its production facilities have already been relocated farther northeast of Yongbyon cannot be denied.

5. Report on Flood Damage and Rice

Since "rice" aid to the DPRK sounds "humanitarian," its military meaning often tends to be overlooked. The DPRK, with a population of approximately 23 million, reported to the United Nations in the fall of 1995 that "while our total demand for grain is 7.64 million tons, summer floods caused a shortage of 3.83 million tons." The DPRK has actively appealed to the world through the FAO (the United Nations Food and Agriculture Organization) and the WFP (World Food Program) for food assistance.

However, according to our investigation, "a shortfall of 3.83 tons" is a questionable figure. In fact, a report by a joint FAO/WFP assessment team dispatched to the

DPRK in December 1995 says, "The actual shortage is estimated at 1.91 tons." For what purpose, then, has the DPRK appropriated the difference — 1.92 tons?

Moreover, ever since the "flood disaster," the KPA has moved a large number of its soldiers. Now nearly 70 percent of its 1.2 million troops are assembled on the north side of the Demilitarized Zone (DMZ) on the 38th parallel. It is estimated that "in the DPRK 70 percent of the total rice crop is automatically reserved for military use." In other words, we may say that no matter how severe last summer's flooding was, at least the military elite has not been affected by it at all.

With the presidential election this November, the domestic situation of the United States is quite delicate, and there seem to be many government officials who "do not want to provoke the DPRK." However, even if the United States carries out "humanitarian assistance" despite the opposition of South Korea and Japan, there is no guarantee it will lead to stability and peace in Asia.

6. Report on Military Buildup

If the KPA, which is massing troops at the DMZ, is going to "push southward" — contrary to the prediction that troops are gathering for "annual winter exercises" — its strategy will be based on its experience in "Korean War I." Since that war, the DPRK has devoted all its energy to converting its entire territory into a strong fortress. That is why it has concealed most of its major military bases and its supply complex deep under the ground and has kept digging tunnels for heading south that are thousands of kilometers long.

Also, learning from its bitter experience in Korean War I, the DPRK has produced and deployed a huge number of heavy firearms, guns, and rocket launchers. It has concentrated its power on building up antitank weapons in particular. Hiding its bases deep underground enables the KPA to direct all its power for an all-out attack on the south front — that is, South Korea.

North Korea's basic strategy is to gain control of major South Korean cities promptly, with Seoul at the top of the list, and to bring them completely under its control before U.S. forces come to rescue the South.

With that goal, it has always racked its brains to strengthen its air force. In the 1980's, the DPRK became capable of producing and improving aircraft. It has built up its amazing air capability by deploying 46 Soviet-made MIG-23s and 14 MIG-29s as attack planes and equipping them with air-to-air missiles such as the AA-2 Atoll and AA-7 Apex. It also has more than 100 bombers and 80,000 air force personnel who maintain war readiness so that they can support the southward advance of over 1 million army troops from the air. In this connection, South Korea has approximately 45,000 air force personnel and only 480-plus jet fighters, compared to the North's 750.

In addition, North Korea is applying all its energies to the buildup and deployment of surface-to-air missiles such as the SA-5 and SA-7. Not only the southern tip of the Korean Peninsula is within the range of North Korea's "Scud-B" and "Scud-C," which are improved versions of the Soviet-made Scud missile, but the whole Japanese Archipelago and some U.S. Pacific territory would also become vulnerable when intermediate-range (theater) missiles such as "Nodong" and "Taepo Dong," now under development, are completed.

7. Report on "Southward Advance Tactics"

The KPA's attack strategy is based on surprise attack, and its troops are thoroughly trained to act mostly in the dark. The infantry would break through the DMZ between midnight and dawn. Then the tank forces would head for Seoul, the capital of South Korea, all at once in the early morning. At the same time, a concerted attack would be made with the Scud missiles. The Special Operations Force (SOF), consisting of 60,000 soldiers, would stealthily encircle the Seoul metropolitan area, which would be in a state of panic. The navy would play a great role in helping the SOF slip into Seoul. It would be difficult to predict where on the long Korean Peninsula the DPRK's vast number of amphibious ships would make surprise landings. Also, nearly 50 guided-missile warships — the Navy's mainstay — carry a missile called SS-N-2A, which would display its great power for a missile attack on the inland area from the coast. In addition, the DPRK has over 15 SOJU-class high-speed ships based on Russian OSA1 guided-missile vessels, each of them loaded with four SS-N-2 Styx missile launchers.

Furthermore, North Korea possesses more than 20 DPRK-developed Romeo-class submarines, in addition to four Russian Whiskey-class submarines and four Chinese Romeo-class submarines. It also has 50 small submarines used mainly for SOF operations.

When North Korea learns that U.S. forces are coming to rescue South Korea from Japan, there is a strong possibility that the KPA, in close cooperation with its special forces, would make a raid on Japanese territory. At any rate, this is only natural if the KPA is tempted to flaunt its power when it has a chance.

Reporter's Postscript

This report evaluates North Korea's military capability as greater than it really is. For example, speaking of fighters, North Korea is certainly superior to South

Korea in number; but it is evident that the North is inferior to the South if we compare the DPRK's obsolete aircraft with the South's U.S.-made high-tech planes. The war potential of the DPRK army and navy would be weaker than that of South Korea. Because the DIA report to Congress and the White House was prepared in part with the Pentagon's aim of securing appropriations and changing policies in mind, the paper appears to stir up the North Korea threat by discussing only numbers. It seems this was intentionally done by Pentagon people critical of President Clinton's stopgap policy towards North Korea. Nevertheless, a report on weapons of mass destruction (atomic, biological, and chemical) of a fortress nation — which conceals its bases and production plants deep underground — is not to be overlooked. The Pentagon has been taking concrete measures assuming the DPRK's southward advance, an attack on Japan, and the DPRK's collapse. In addition, with an eye partly on China and Taiwan, the U.S. Marine Corps is now in Phase Four.

Japan: Foreign Ministry Requested To Improve Coordination

OW1803103796 Tokyo YOMIURI SHIMBUN in Japanese 17 Mar 96 Morning Edition p 3

[FBIS Translated Text] It was disclosed on 16 March that the ruling coalition parties had sent a document to the Ministry of Foreign Affairs to complain about policymaking procedures as follows: "The procedures that the ministry has recently adopted to brief the ruling parties and win their approval for various issues have become a serious question, thus the Ministry is urged to reconsider such procedures seriously." As noted in the handling of such issues as the one on providing by the Korean Energy Development Organization [KEDO] to the DPRK (North Korea) an amount of $19 million as payment for fuel oil, "policy decisions have frequently been made without giving a sufficient briefing to the ruling parties," (as stated by a senior leader of the Liberal Democratic Party [LDP]).

It is clearly stated in this document that on major issues, briefings should be given to organs under the ruling parties in charge of foreign affairs and also at the meeting to coordinate on foreign affairs so as to ask for deliberation and obtain approval; and that in emergencies, part of the procedures can be omitted by first obtaining approval of responsible persons of ruling parties' organs in charge of foreign affairs; however, in such cases, efforts should also be made to obtain ex post facto approval as soon as possible. In this way, the document indicates an intention to prevent the MOFA "from always having its own ways."

Among the three ruling parties, it is the Socialist Democratic party that is particularly strong in its criticism of the MOFA. On 23 February, Foreign Minister Yukihiko Ikeda exchanged documents with Deming, charge d'affaires of the American Embassy in Tokyo, concerning protection of secret information on research and studies of the Ballistic Missile Defense (BMD) concept. With regard to this exchange, "no explanation was given despite the fact that this may involve a range of administrative procedures," (as stated by those connected with policy research councils of the ruling parties).

It has been said within the ruling parties that "it would be desirable for the MOFA to disclose more information and at the same time listen to public opinion at home."

It seems most likely that the ruling parties have made these demands on the MOFA because the range of the foreign policy has expanded following the end of the Cold War, and also because it has become more difficult to make policy decisions under the coalition administration as a consensus among the ruling parties is a precondition for policy decisions.

Japan: Government Considering 50-Day Stopgap Budget

OW1803145096 Tokyo KYODO in English 1136 GMT 18 Mar 96

[FBIS Transcribed Text] Tokyo, March 18 KYODO — The government plans to compile a stopgap budget of 50 days for fiscal 1996, which starts April 1, because the opposition camp's sit-in maneuver has delayed Diet debate for a full two weeks on the proposed 75.1 trillion yen budget, government officials said Monday [18 March].

The government of Prime Minister Ryutaro Hashimoto will reach the decision at a regular cabinet meeting Tuesday, the officials said.

The ruling coalition wants the stopgap budget submitted to the Diet around March 26, coalition sources said.

Earlier in the day, Kanezo Muraoka, the Diet affairs chief of the dominant coalition component, the Liberal Democratic Party (LDP), met with his counterpart Takeo Nishioka of the main opposition party, Shinshinto (New Frontier Party).

Muraoka called for Shishinto's cooperation in deliberations of the interim budget and outstanding bills.

Nishioka told a press conference later that his party will decide whether to cooperate on Diet debate after the government proposes a concrete interim budget.

Shinshinto members have been staging a sit-in at the entrance of the House of Representatives budget committee room to block passage of the full-fledged budget that earmarks 685 billion yen in taxpayers' money to liquidate seven failed "jusen" housing loan companies.

Riding a wave of public outrage, Shinshinto has demanded that the use of public money for the scheme be deleted from the budget.

The three ruling parties think the stopgap budget should be relatively long to give the House of Councillors, the upper house, sufficient time to discuss the fiscal 1996 budget.

Lower house discussions on the fiscal 1996 budget may not resume until April because talks on the interim budget would take priority, coalition sources said.

Top government spokesman Seiroku Kajiyama, the chief cabinet secretary, told an evening press conference that the Diet will concentrate for the time being on a stopgap budget to be proposed and bills to replace pension and some other laws expiring at the March 31 end of the current fiscal 1995.

The Diet impasse entered its third week Monday with Shinshinto refusing to obey an advisory from the lower house speaker, Takako Doi, to lift its budget committee room blockade.

Kajiyama ruled out a possible meeting between coalition and Shinshinto leaders aimed at breaking the impasse, indicating that the blockade must be stopped before any action is taken.

Kajiyama said normalization of Diet business is up to the lower house speaker. Doi has the legal authority to order Diet guards to use force to remove Shinshinto lawmakers involved in the blockade, but she has yet to do so.

Shinshinto is also demanding Diet testimony by LDP Secretary General Koichi Kato about his alleged receipt of a 10 million yen donation from Kyowa Co., a now defunct steel-frame maker and borrower from one of the seven failed mortgage companies.

A majority leader in the House of Councillors, Masakuni Murakami of the LDP, advised Kato to volunteer to testify in the Diet about the issue because his refusal to do so would arouse public suspicion.

Kato told a press conference he would obey any decision to be made through discussions between the ruling and opposition camps on the testimony issue.

The ruling coalition has a majority in both houses of the diet, but has not wanted to ram through its budget in light of public anger over the use of tax money for the jusen liquidation plan.

The three coalition parties are the LDP led by Hashimoto, the Social Democratic Party (SDP) headed by former Prime Minister Tomiichi Murayama and New Party Sakigake [Harbinger] led by former Finance Minister Masayoshi Takemura.

Japan's Kubo: Budget To Include 'Economy-Boosting' Measures

OW1903041496 Tokyo KYODO in English 0157 GMT 19 Mar 96

[FBIS Transcribed Text] Tokyo, March 19 KYODO — Finance Minister Wataru Kubo said Tuesday [19 March] the government will give full consideration to Japan's budding economic recovery in its compilation of a provisional budget for fiscal 1996, which starts April 1.

"The government will compile the stopgap budget, paying full attention to economy-boosting measures," Kubo said at a press conference after a cabinet meeting.

At the cabinet meeting, the government decided to formulate a 50-day provisional budget because of the stalled Diet debate over the full fiscal 1996 budget plan.

Kubo said 11 trillion yen is one of yardsticks for the size of the fiscal 1996 stopgap budget.

When the government worked out a 50-day provisional budget in fiscal 1994, its spending totaled about 11 trillion yen.

Kubo said the ministry will earmark funding in the fiscal 1996 stopgap budget to prevent the suspension of public works projects now under way.

The fiscal 1994 provisional budget contained about 30 percent of the public works-related spending under the full budget for that year.

Diet debate on the full fiscal 1996 budget plan has been stalled due to a standoff between ruling and opposition parties over a controversial provision to use 685 billion yen in taxpayers' money for a government-crafted scheme to dissolve seven troubled housing loan companies, known as "jusen."

Japan: Tokyo Allegedly Told Cosmo Credit To Hide Losses

OW1803055196 Tokyo KYODO in English 0414 GMT 18 Mar 96

[FBIS Transcribed Text] Tokyo, March 18 KYODO — Cosmo Credit Corp. window-dressed its financial reports for four years to make it appear in the black before it went bankrupt last July, sources at the once biggest credit union in Tokyo said Monday [18 March].

They said Cosmo changed accounting rules abruptly in fiscal 1991 and closed its books in the following four years without evaluating shareholdings at market value, while counting as assets interest overdue for up to one year instead of the standard six months so as to hide some 39.2 billion yen in cumulative losses.

"We were advised by the Tokyo Metropolitan Government to take measures not to fall into the red," one source said.

"We submitted to the Tokyo Metropolitan Government financial reports detailing losses which would have been appeared under the original accounting rules."

A former Cosmo official in charge of accounting admitted having been ordered to window-dress financial reports.

"I was asked to manage to avoid reporting losses because there could be a run if the biggest credit union in Tokyo fell into the red," he said.

The metropolitan government, which supervises credit unions in Tokyo, has denied it ordered Cosmo to window-dress its financial reports.

But an official at the metropolitan government admitted the Tokyo authority had failed to detect the window dressing.

Cosmo went bankrupt July 31, 1995, with more than 300 billion yen in nonperforming loans, prompting the metropolitan government to decide to use tax money to wind up the credit union.

The failed financial institution is to be taken over March 25 by a special bank set up to dispose of its bad loans.

Japan: Tokyo Files Complaint Against Ex-Cosmo Chief

OW1803055796 Tokyo KYODO in English 0535 GMT 18 Mar 96

[FBIS Transcribed Text] Tokyo, March 18 KYODO — The Tokyo Metropolitan Government Monday [18 March] lodged a complaint against Cosmo Credit Corp.'s former president for breach of trust in connection with alleged massive loans backed by insufficient collateral to companies run by his relatives.

The development came hours after all of eight board members of the failed Tokyo-based credit union voted to reject a request by the metropolitan government to file a complaint against Sampachi Taido, 51, with the Tokyo District Public Prosecutor's Office.

Cosmo, which went bankrupt July 31, 1995, with more than 300 billion yen in nonperforming loans, is to be taken over March 25 by a special bank set up to dispose of bad loans left by the company.

According to in-house documents and official registry books, the credit union extended loans totaling some 13.6 billion yen to eight cosmo subsidiaries, including five owned by taido's relatives, from 1991 to 1995.

Cosmo also loaned about 25.4 billion yen to 16 firms affiliated with the companies run by taido's relatives in the same period.

The bulk of the loans went to purchases of the troubled properties and valueless shares of apollo finance, one of the relative-run companies. The purchase prices were several times the market value, and allowed apollo to transfer the bad assets to paper companies, effectively freezing them.

Under the practice, known as "tobashi" (shuffling), a company lends money to a paper firm to purchase real estate held by the company as collateral for bad loans at an above-market-value price.

Most of the 16 affiliates are paper companies, and the loans to them were secured by the bad assets, which have turned out to be well short of their value as collateral.

Of the 39 billion yen loaned to the 14 companies, 29.2 billion yen worth has become irrecoverable.

Metropolitan government documents also reveal that Cosmo had transferred bad loans to dummy companies to conceal them since 1991, using a similar practice.

According to the metropolitan government, some 354 billion yen, or more than 70 percent of cosmo's outstanding loans totaling 490 billion yen, were deemed irrecoverable as of last may.

Japan: General Election, Political Realignment Viewed

962B0034A Tokyo YOMIURI SHIMBUN in Japanese 12 Jan 96 p 5

[Fourth article in "Outlook" series: "Entangled Political Realignment, General Election; LDP Has 'SDPJ-Sakigake Faction,' 'Conservative-Conservative Faction'"]

[FBIS Translated Text]

[YOMIURI SHIMBUN] What are the prospects for the Hashimoto government?

[A] Persons related to the government are saying optimistically: "Financial circles are saying that a Liberal Democratic Party [LDP] government will be good for a business recovery, so it is probable that they will support Prime Minister Hashimoto, and there will not be anything to crush him." They say it is because business circles deplore the fact that Ozawa collected money in a rude manner when he was secretary general of the New Frontier Party.

[YOMIURI SHIMBUN] Will the Hashimoto government be able to ride out the current regular session of the Diet?

[D] In regard to the housing loan company problem, former prime minister Murayama and former finance minister Takemura, who were in charge when the policy of committing treasury funds was decided, have left the cabinet, so government sources are worrying that "the breakwater has disappeared." It means that Prime Minister Hashimoto will be exposed to the concentrated fire of the New Frontier Party.

[B] Within the LDP there are strong misgivings that "with things as they are, we will not be able to do battle in the election." That Kajiyama, who opposes the disposition of the housing loan companies, became chief cabinet secretary, is also for attempting to ride out the Diet session; he will probably adopt a strategy of parrying the New Frontier Party's criticism by becoming the leader in criticism of Finance Ministry executives and banks. There were even persons with experience in the three top party posts who predicted: "An argument for freezing introduction of public funds is certain to well up from inside the government and the governing parties."

[D] Ozawa is prepared to have an all-out showdown with the new Hashimoto government over the housing loan company problem in the next regular Diet session; but in the New Frontier Party there are also many Diet members who are receiving support from agriculture-related organizations. Therefore, skeptical voices saying "How far can we actually dig into it?" are also emerging within the party."

In addition, Diet members who belonged to former Komeito have a sense of crisis because the revival of the question of politics and religion is at a critical state. But within the New Frontier Party there has also emerged the less enthusiastic view that: "Public opinion no longer accepts the kind of forceful physical resistance used in the special Diet session." Driving the new government into a tight corner will not be that easy.

[YOMIURI SHIMBUN] The LDP executive says that dissolution of the Diet and the general election will be after autumn, but according to public opinion polls there is a strong demand for an early dissolution of the Diet and general election.

[A] Because the housing loan business problem will be a big topic in the next Diet session, it is the common view on the prime minister's side that: "We cannot dissolve the Diet until after the public's adverse reaction has diminished. It will be quite some time yet.

[C] Even so, there is also talk in Nagatacho that, on the 10th, a rumor that "the LDP and part of the New Frontier Party are in collusion, and are planning to dissolve the Diet at the beginning of the regular Diet session" circulated, and that SDPJ [Social Democratic Party of Japan] Diet members who fear dissolution hurriedly acted to ascertain the LDP's true intention from the LDP's previous vice president, Keizo Obuchi. Dissolution of the Diet and a general election could come at any time if a housing loan company scandal or some such were to appear.

[B] Basically, it will probably be "after autumn of this year," as one might expect. You see, last November the LDP's [Koichi] Kato and [Taku] Yamasaki judged that "Murayama could step down before the regular Diet session," and are laying the groundwork for "Hashimoto's abdication" in the form of "promising" to the SDPJ and Sakigake that "even if Hashimoto succeeds Murayama as prime minister, we will not dissolve the Diet until 6 months after passing the budget."

[D] No, it is dangerous to set your mind on it. In contrast to the idea of Kato, Yamasaki, and other members of the YKK [Yamasaki, Kato, Koizumi] group of promoting a "united front against the New Frontier Party" with the SDPJ and Sakigake, including also cooperation in elections, Hashimoto and Kajiyama are also considering the possibility of a "conservative-conservative alliance" of cooperation with the New Frontier Party. I think their intention is different from that of YKK.

[C] I agree. One would be safe in thinking that in the LDP the axis will probably shift from party-management led by "Secretary General Kato" to management of the government and the party led by "Chief Cabinet Secretary Kajiyama." It is difficult to imagine that Kajiyama would join forces with New Frontier Party president Ozawa, but he frequently makes contact with former prime minister Morihiro Hosokawa.

If a situation developed in which there was a confrontation between the SDPJ and Sakigake on one side and the LDP on the other, approaching the Hata-Hosokawa group would naturally be a conceivable option.

[YOMIURI SHIMBUN] Will the groping about in regard to dissolution and a general election and moves toward political realignment go on in interlocking fashion?

[D] There is a feeling, is there not, that when reduced to a diagram, it is YKK facing toward the SDPJ and Sakigake, and Hashimoto and Kajiyama facing toward the New Frontier Party. Of course the actual strategy of the political situation is probably more complicated, but I think it is leaving a subtle feeling of resentment inside the LDP.

[C] What one must keep one's eye on in the New Frontier Party is the movement of the Hata group. It intends to launch a policy group by the opening of the regular Diet session, and its solidarity grew still stronger because of reaction against the executive's methods in the uproar the other day over resignation of Diet members. From within the party there have also risen voices pointing out that: "By a string of quarrels they ended up giving the Hata Group an excuse to unite."

[D] There are also many Diet members in the Hata Group who judge that: "by differentiating ourselves from Ozawa, against whom there is a strong reaction of rejection by other parties, it became possible to join with various forces (in other parties)."

[F] On the other hand, there are also moves inside the Ozawa Group, as well, to search for cooperation with members of the former Keiseikai such as Prime Minister Hashimoto and Kajiyama of the LDP. The fact that the story that "Secretary General Kato and associates are refining a scenario in which Prime Minister Hashimoto will be driven into resigning over an LDP health-care related scandal, and end after a short term in office, and that next a Takemura government will be born" is flowing from those around Ozawa is also probably an advance move to attempt cooperation with the former Keiseikai.

[YOMIURI SHIMBUN] Will realignment become active even before the general election?

[D] No. Former Economic Planning Agency director general Hajime Funada, who is also the center of the Hata Group, says: "Political realignment before the election would be difficult, because preparation for the Lower House election is proceeding by a New Frontier Party-LDP framework."

[B] Candidates for the single-seat election districts are filled, so there is even a strong view that "it would be troublesome if someone came here at this late stage." The election situation has become a "deterrent." There also a strong view that cooperation among the LDP, SDPJ, and Sakigake will advance after this also in the sense of fighting against Ozawa's New Frontier Party, and that realignment will probably come after the general election. They will move at once if there is no political party which can gain an independent majority.

[YOMIURI SHIMBUN] What is the outlook for the SDPJ's new party?

[C] The focal point is the question of when Sakigake Leader Takemura and SDPJ General Secretary Murayama will embark on formation of a new party. Both of them have pledged publicly to marshal a new force before the next Lower House election, but a consensus has not been formed within the parties. Takemura, for example, has begun to say that: "Ultimately, it is an individual decision," so, depending on the case, splits within the SDPJ and Sakigake are also possible.

[F] One begins to hear from within Sakigake the view that: "We will never merge with the SDPJ just because it is transitional." There are some pessimistic Diet members who say: "In the end, we will have no choice but to face the election on our own."

[C] Such Diet members as SDPJ former General Secretary Yamahana, who have already left the party, urged those who remained in the SDPJ to "rouse themselves to action," but their reaction was unenthusiastic.

Masao Sakon, whose response was being watched, said "It appears natural. It is probably that kind of trend." But one would do well to judge that the embers of the SDPJ split are still continuing to smolder.

Japan: Firms Announce Launching Semiconductor Venture in PRC

OW1803151696 Tokyo KYODO in English 1312 GMT 18 Mar 96

[FBIS Transcribed Text] Tokyo, March 18 KYODO — Mitsubishi Electric Corp. and Mitsui and Co. said Monday [18 March] they will launch a joint semiconductor manufacturing venture in China later this month.

The companies said the new venture, Mitsubishi Stone Semiconductor Co., will build a plant in Beijing to manufacture and test various computer devices, including application specific integrated circuits (ASICS), microcomputers and memories.

The plant is scheduled to start operations in May 1997, manufacturing 5 million CGIPS [expansion unknown] a month, with the volume increased to 10 million units in 1998, the companies said.

The venture, to be capitalized at about $35 million (about 3.7 billion yen), will be owned 60 percent by Mitsubishi, 30 percent by Stone Group Co., a major private electronics maker in China, and 10 percent by Mitsui, a major Japanese trading house.

Stone group will market Mitsubishi brand semiconductor devices in China, the companies said.

North Korea

DPRK: U.S. 'Unreasonable Sanctions Against Other Nations' Decried

SK1903105296 Pyongyang KCNA in English 1018 GMT 19 Mar 96

["NODONG SINMUN Views Unreasonable Sanctions as Act of Aggression, Interference" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 19 (KCNA) — The newspaper NODONG SINMUN today carries an article accusing the United States of its unreasonable sanctions against other nations.

The U.S. must know that its "stick of sanctions" does not work, and stop recklessly trying to attain its undue purpose at the sacrifice of others, says the daily.

The U.S. has taken sanctions against other nations which it terms "terrorism-supporting nations," "nations fraught with danger of nuclear development" and "non-cooperative nations," it says, and continues:

U.S. sanctions are indicative of its aggressive design to dominate other nations and interfere in their internal affairs.

The U.S. and other imperialists use sanctions as means of their power politics. They are wielding the "stick of sanctions" against other nations which they consider are out of their favor or go against their interests.

Not a small number of countries are suffering from U.S. sanctions, their interests being encroached upon. By its sanctions, international justice has been violated and stability and peace of countries and regions have been threatened.

The unreasonableness of U.S. sanctions is illustrated by what the U.S. seeks through them.

The U.S. is said to punish those nations which have economic and trading dealings with Cuba and levy more strict sanctions on Cuba. In this way, it wants to isolate and stifle Cuba.

It is the era of independence now.

The victims of U.S. sanctions are taking a stiff attitude towards the sanctions, well aware of the U.S. ulterior purpose. U.S. sanctions against Cuba, Iran, Iraq, Libya and other nations have been cold-shouldered even by its allies.

Trying to solve the problems by strong-arm action and pressure is a token of the anachronistic thinking-pattern. So, unreasonable sanctions deserve condemnation.

DPRK: 'Real Threat' in East Asia Posed by U.S.

SK1903100996 Pyongyang Korean Central Broadcasting Network in Korean 1224 GMT 18 Mar 96

[Commentary by Kim Ho-sam: "Real Threat Is Posed by the United States"]

[FBIS Translated Text] According to a report, the U.S. Defense College proposed on 16 March that if North Korea reduces its so-called security threat, it will reduce the number of U.S. forces in East Asia.

We cannot but view with caution the fact that the U.S. Defense College, which fosters the so-called core of the U.S. military, made such a preposterous remark. In a document dubbed the 1996 Strategic Report, which has as many as 224 pages, the U.S. Defense College tediously emphasized the need to deploy about 100,000 U.S. forces in East Asia, including about 40,000 U.S. forces in South Korea and around 47,000 U.S. forces in Japan, and found fault with us by saying that the nation threatening security in Asia is none other than North Korea. This is indeed an absurd sophistry.

For the U.S. bellicose class to label us as a security threat is preposterous and brazen-faced. This is another fabrication and political conspiracy contrived by the heads of the U.S. Defense Department, who are preoccupied with and drooling over the prospect of invading Asia.

Recently the U.S. monopolies, and the U.S. military warmongers under their protection, have been bent only on reprobation without letting go of the prey of East Asia. Such political defamation, however, can never mislead world opinion.

To fundamentally abolish the danger of war on the Korean Peninsula, we are now exerting self-control to our utmost, and are repeatedly offering a new peace proposal to the U.S. Government. When viewing just the tentative agreement proposal of 22 February and the memorandum of the Panmunjom Mission of the Korea People's Army of 8 March, it sufficiently shows how sincerely we are making efforts to secure peace on the Korean Peninsula. Nevertheless, rather than acting in good faith regarding such proposals, the United States is carrying out acts that all the more aggravate the situation.

Let's take some examples. It is already a known fact that the United States was running amok in carrying out war exercises from early this year. Such war-frenzy continued in February as well. The war exercises which the United States plans to conduct from February to December of this year aimed at us are the RSO, the

Freedom Banner, the RimPac 96, Ulchi Focus Lens 96, and Eagle 96. Also, the United States is saying that it will actively back up exercises independently conducted against us by the South Korean puppets such as the Hoguk 96, the Hawrang, and the joint strategic exercise in late 1996. Even though this may be a single mathematical calculation, such large-scale war exercises have increased 1.3 times more than last year.

It has already been revealed that in February the United States carried out many aerial espionage activities against us throughout the Military Demarcation Line. Also, some time ago some 300 South Korean puppet military heads were even sent to the United States and carried out mock war exercises to harm us. This does not end here. The United States is continuing to drag up-to-date missiles and various operational equipment into South Korea on a large scale.

Recently, 40 interceptor missiles and the B-1, which is a new up-to-date nuclear strategic bomber able to cross the continent, were dragged in. Two nuclear submarines are at Pusan port and the large-scale aircraft carrier, Independence, is on alert in the East Sea at all times.

For the United States to say that we are threatening them under such a situation is indeed a very brazen-faced scheme. Then why is the United States persistently making stubborn claims even by driving a wedge in a document of the Defense College about the threat from North Korea? This is because there is no longer any justification for stationing U.S. forces in East Asia and because they are all the more being rejected in this region.

After the end of the Cold War, the United States no longer had the basis to station its forces at all times in East Asia, including South Korea and Japan, and voices calling for the withdrawal of U.S. bases and U.S. military personnel in Asia are being all the more raised.

Asian countries are not satisfied over the fact that the United States remains in Southeast Asia, and are raising collective voices of self-defense. Under this kind of situation, the United States has worked out a plot of a threat from North Korea and is dragging in many weapons into South Korea — thus driving the situation on the Korean Peninsula to the brink of war.

Due to this kind of policy by the United States, the situation in Korea has become extremely aggravated. Such a policy by the United States will by no means be favorable to the United States as well. If the United States continues to ignore our peace proposal as now and appears in a provocative way, it will be inevitable for us to take countermeasures in conformity with this. The right of choice is not only in the hands of the United States. We will not just sit down and look at the face of the United States. A recognized custom in international relations is to answer good faith with good faith. The United States must stop the scheming propaganda of turning black into white. It will be good for the United States to deal with reality in a reasonable manner.

DPRK: 'Defense Cooperation' Between Japan, U.S. Viewed

SK1703065796 Pyongyang KCNA in English 0638 GMT 17 Mar 96

[FBIS Transcribed Text] Pyongyang, March 17 (KCNA) — The Japanese chief cabinet secretary on March 15 spoke of "timeliness" for study of "defence cooperation" between Japan and the United States to cope with "emergency" on the Korean peninsula, according to a report.

He said at a meeting of the cabinet committee that if any emergency occurs around Japan, it is necessary for her to moderately cooperate with the United States, the Japanese newspaper YOMIURI SHIMBUN said, and went on:

"Judging from this, I consider that it is time to study the concrete cooperation," he said, calling for the strengthening of the "defence cooperation" between Japan and the U.S. to cope with "emergency" on the Korean peninsula.

This shows well how recklessly the Japanese reactionaries are running amuck to stage a comeback to the peninsula.

DPRK: CPRF Secretariat Condemns ROK's 'War Preparations'

SK1803051796 Pyongyang KCNA in English 0430 GMT 18 Mar 96

[FBIS Transcribed Text] Pyongyang, March 18 (KCNA) — The secretariat of the Committee for the Peaceful Reunification of the Fatherland (CPRF) issued Information No. 707 on Sunday accusing the Kim Yong-sam clique of South Korea of escalating war preparations.

According to a news report, the traitor Kim Yong-sam, in a recent graduation ceremony of the puppet women's military academy and a ceremony of upgrading puppet military officers, cried for war preparations against the North under the pretext of "possible provocation by the North."

In response to his call, the puppet prime minister and the defense minister let loose bellicose and provocative utterances more than once, inciting North-South confrontation.

From the beginning of March, the puppets have staged military exercises and provocations against the North in frontline areas, Demilitarized Zone and on the ground and in the sky and sea.

The information viewed their intensified confrontation with the North and military manoeuvres as a last-ditch effort for keeping tension running high in a bid to escape from their serious political crisis caused by public demand for the punishment of the May 18 murderers and the investigation into the slush fund scandal and as a foolish trick to turn adversity into favorable circumstances before the "National Assembly election."

With Kim Yong-sam, a thorough-paced traitor to the nation, a heinous enemy of reunification and a warmaniac, left unpunished, it is impossible to achieve national unity and peace and see the punishment of the chief culprits of the Kwangju bloodbath and a proper solution to the slush fund scandal, the information stressed.

DPRK: Overthrow of Kim Yong-sam Regime Urged

SK1803150396 Pyongyang Korean Central Broadcasting Network in Korean 0753 GMT 17 Mar 96

[Unattributed talk: "The Treacherous Regime Should Be Overthrown To Achieve Independence, Democracy, and Reunification"]

[FBIS Translated Text] Independence, democracy, and reunification are what the South Korean people most yearn for. The South Korean people have bled for and sacrificed their lives to achieve these aspirations. However, their aspirations have not been achieved because of the South Korean puppets' vicious flunkeyist acts of treachery, fascist tyrannical rule, and anti-national, antipeace, and antireunification war maneuvers.

From the day it grasped power, the Kim Yong-sam ring has endlessly perpetrated flunkeyist acts of treachery of going against the interests of the South Korean people and leaving the dignity and sovereignty of the nation to the mercy of outside forces to the extent that even the preceding military dictators are astounded.

Begging for the aggressive forces' perpetual occupation of South Korea, it has increased the amount of maintenance expenses it pays its master and has turned South Korea into a military base as well as a nuclear battle base of the outside forces.

Regardless of the South Korean people's strong opposition, puppet traitor Kim Yong-sam has opened the rice market. This treacherous, flunkeyist maneuver has not only plunged the nation's agriculture but also the entire South Korean economy into a serious crisis. This is the same Kim Yong-sam ring that obliterated the national culture by inviting Japan's Samurai culture into South Korea where the Yankee culture already prevails. It is also the Kim Yong-sam fascist ring which turned South Korea into a lawless fascist tumult.

Even though the Kim Yong-sam ring has loudly raved about so-called civilian politics and reform, it has not even bothered to liquidate the military dictatorial vestiges, which are essential to carrying out the reform. On the contrary, it has beefed up their fascist function and largely expanded their influence. Moreover, the Kim Yong-sam ring is brutally suppressing the movement for independence, democracy, and reunification waged by the South Korean youths and people by invoking the military dictatorial vestiges as in the time of the preceding military dictatorial regime.

As has already been reported, the Kim Yong-sam fascist ring mobilized some 624,200 suppressive forces to crack down on the movement for independence, democracy, and reunification waged by the students and people, and thus arrested 370 people and wounded some 600 people. In addition, the Kim Yong-sam ring branded the struggle of the South Korean people who called for the right to live mass egoism and later even invoked the fascist right of emergency intervention, which is something the preceding military dictators did not even dare do. Thus, it has driven the suppressive forces into the inner sanctums of holy, inviolable religious facilities and brutally suppressed the workers.

The entire world knows that the Kim Yong-sam ring even perpetrated vicious acts of firing toxic tear gas, which is prohibited even in actual warfare, into the faces of the South Korean youths and students who, yearning for reunification, participated in the pannational meeting for national reunification. The anti-Republic showdown, division, and war provocation maneuvers which the Kim Yong-sam treacherous ring have committed lay an obstacle to the country's peace and peaceful reunification.

No sooner had the traitor Kim Yong-sam taken office than he totally blocked inter-Korean dialogue, which had been held during the time of the preceding military dictatorial regime, and drove inter-Korean relations to the worst phase with confrontation and war maneuvers against the North.

It is none other than the Kim Yong-sam ring which has internally wielded swords against the South Korean students and youths who call for national reconciliation, unity, and reunification under the pretext of security and externally cried out for the establishment of the cooperative system to harm the fellow countrymen by publicizing the nonexistent military threat from the North.

Moreover, when we were at the bitterest state funeral, the Kim Yong-sam group committed thrice-cursed crimes. Far from mourning over it, they leveled guns at the North and ruthlessly cracked down on South Korean students and people who were sharing the sorrow with their fellow countrymen.

Even now, the Kim Yong-sam ring is endlessly staging large-scale war exercises aimed at a northward invasion on land, at sea, and in the air with outside forces, challenging the peace and peaceful reunification of the country and bringing the country's situation to the brink of war.

All these facts show that unless the Kim Yong-sam traitorous regime is overthrown, the South Korean people's yearning for independence, democracy, and reunification cannot be realized, but instead great disaster and misfortune are in store for them.

That is why the South Korean people are challenging the fascist suppression and are rising for the anti-Kim Yong-sam, anti-New Korea Party struggle. This is a reflection of the South Korean people's firm will to overthrow the Kim Yong-sam treacherous regime and establish a liberal democratic regime at any price. The day in which the Kim Yong-sam treacherous ring will be punished before history is not far away due to its criminal deeds committed before the nation.

DPRK Daily Reacts to ROK Foreign Minister's Remarks

SK1903053196 Pyongyang KCNA in English 0433 GMT 19 Mar 96

["NODONG SINMUN Comments on S. Korean 'Foreign Minister's' Rigmarole" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 19 (KCNA) — The South Korean puppet Foreign Minister, Kong No-myong, recently said that only when the North is willing to have "inter-Korean direct talks," can "peaceful unification" and "improvement of inter-Korean relations" be possible.

Commenting on the fact, NODONG SINMUN today views his remarks as nonsense.

The daily says:

Where did the South Korean puppets get the face to call for "dialogue"? When the people of the North were in deep grief at the death of President Kim Il-song, they leveled guns at the North and froze all the channels of inter-Korean dialogue, which had been under way even in the period of the "Sixth Republic" military dictatorship. By doing so, the Kim Yong-sam clique of traitors denied their being the dialogue partner, revealing that they are the enemy of dialogue. Kong No-myong also said that if the United States and other western nations improve relations with the North, the situation of the Korean peninsula would be "unstable." It makes no sense, either.

All the issues concerning the peace and security of the Korean peninsula can be resolved only by the Democratic People's Republic of Korea and the United States. So, the improvement of bilateral relations between the DPRK and the U.S. is urgent for and indispensable to a durable peace of the peninsula.

Everything related to the DPRK will go well irrespective of whether the Kim Yong-sam group like it or not.

The puppet Kong also cried for "maintenance of a powerful military deterrence." But his cell is only aimed at justifying themselves hell bent on arms buildup and war preparations against the North, in league with outside forces.

DPRK Paper Decries 'Bellicose Remarks' of Kim Yong-sam

SK1703070496 Pyongyang KCNA in English 0654 GMT 17 Mar 96

["Dangerous Remarks of Warmaniac" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 17 (KCNA) — NODONG SINMUN today accuses the traitor Kim Yong-sam of making bellicose remarks to incite confrontation and war fever.

A few days ago, he slandered the social system of the North again and talked about "military adventurism" and "possible provocation" by the North.

The news analyst says:

He made the remarks as he felt ill at ease in face of the steady development of the DPRK and the growing support of people around the world for the DPRK's peaceful efforts for reunification. His remarks were aimed at concealing his clique's scheme to unleash a fratricidal war in collusion with outside forces.

In making outcries over "threat from the North," he seeks to brand the DPRK as "bellicose force," justify his clique's war preparations and find a pretext to unleash a war against the DPRK.

If the puppets create a favorable climate for the provocation of war, they will finish war preparations. To this end, Kim Yong-sam slandered the North and incited confrontation and war.

The confrontation and war with the DPRK, however, will open no way out for the puppets but will precipitate their final destruction.

Kim Yong-sam must stop slandering the North, cool his head heated with war fever and act with discretion, mindful of his lot as the target of the people's struggle for his treacheries, irregularities and role as a war servant of imperialism.

DPRK: No Tae-u's Son Alleges Kim Yong-sam Received 'Enough' Money

SK1603040196 Pyongyang KCNA in English 0338 GMT 16 Mar 96

["Kim Yong-sam Given Large Amount of Money in 'Presidential Election' — No Tae-u's Son" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 16 (KCNA) — No Chae- hyon, son of the traitor No Tae-u, made clear that the traitor Kim Yong-sam was given a colossal amount of money in the "presidential election" in 1992, a Seoul-based radio reported.

Noting that No Tae-u's slush fund scandal was closely linked with the "presidential election," he said Kim Yong-sam received an "enough amount of money."

Kim Yong-sam, who has been under strong public criticism for his involvement in the slush fund scandal, is trying hard to conceal his receiving "presidential election" fund from No Tae-u. But the fact has been disclosed still further with each passing day, putting him in hot water.

DPRK Daily on No's Charge Kim Yong-sam Accepted Campaign Funds

SK1703070296 Pyongyang KCNA in English 0646 GMT 17 Mar 96

["Testimony Strangling Accomplice" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 17 (KCNA) — No Tae-u's son, No Chae-hon, revealed that at the time of the 1992 "presidential election," campaign fund was given to Kim Yong-sam, the then "candidate from the Democratic Liberal Party." Upset by this, the traitor Kim Yong-sam is resorting to tricks to deny it.

Commenting on this, a MINJU CHOSON analyst today says:

No Chae-hon's statement can be said to be a message to Kim Yong-sam from No Tae-u, who is kept behind bars as the architect of a slush fund scandal, the December 12 military coup and the Kwangju massacre.

The message is that No Tae-u will open to the public the fact that Kim Yong-sam could become "president" and grow rich after receiving a fabulous sum of money, if Kim ostracizes him contrary to his promise. So, No Tae-u manipulated his son to tell the press part of the truth behind the "election" campaign fund.

However desperately Kim Yong-sam may try, there is no way out for him.

He must not resort to clumsy tricks but open the truth behind the "presidential election" campaign fund, step down and face the people's judgment.

DPRK Daily Calls Kim Yong-sam 'Accomplice' in Slush Fund Scandal

SK1603095396 Pyongyang KCNA in English 0951 GMT 16 Mar 96

["Colour of Accomplice Unveiled" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 16 (KCNA) — The traitor Kim Yong-sam is resorting to petty tricks to cover up his colour as an accomplice of the slush fund scandal, says NODONG SINMUN in a commentary today.

The news analyst continues:

No Chae-hyon, a son of No Tae-u, some days ago confessed that his father had given a considerable amount of "election" campaign fund to Kim Yong-sam, who was a "Democratic Liberal" [DLP] candidate for the last "presidential election".

And, the "National Congress for New Politics" [NCNP] argued that it has taken materials to document the fact that when No Tae-u withdrew from the "DLP", he handed over 300 billion won to Kim Yong-sam.

The confession of No's son and the announcement of the "National Congress for New Politics" are irrefutable materials testifying to the fact that Kim Yong-sam is, no doubt, an accomplice of No's slush fund scandal.

Kim Yong-sam is scheming to debase the truthfulness of No Chae-hyon's confession through the "deputy spokesman of the New Korea Party" [NKP]. But it is no more than a slushy play.

Although the "New Korea Party" insisted that No Chae-hyon's confession was not true, it will not be able to refute the document secured by the "NCNP" on 300 billion won given to Kim Yong-sam as a "presidential election" fund.

Kim Yong-sam's colour as an accomplice of No's slush fund scandal is found clearly in the fact that the "NKP", regarding No Chae-hyon's confession, is pressing No

Tae-u to make clear the truth himself, rather than manipulate his son.

In fact, this is a blackmail urging No Tae-u to remain silent, as he had promised, about the truth of Kim Yong-sam's "presidential election" fund if he wants to survive.

DPRK: Kim Yong-sam Received 'Secret Funds' From No Tae-u

SK1703070796 Pyongyang KCNA in English 0640 GMT 17 Mar 96

[FBIS Transcribed Text] Pyongyang, March 17 (KCNA) — A spokesman for the "Election Measure Committee" of the opposition "National Congress for New Politics" (NCNP) on March 14 said the traitor Kim Yong-sam received secret funds from No Tae-u, a Seoul- based radio reported.

This came amidst tit-for-tat campaign between the ruling and opposition parties in South Korea with the election of the puppet National Assemblymen just ahead.

The spokesman stated that the "NCNP" secured a document saying that upon leaving the "Democratic Liberal Party" on September 18, 1992, No gave Kim 300 billion won.

DPRK: Guyana Protests ROK's Projected Nuclear Construction

SK1603094996 Pyongyang KCNA in English 0947 GMT 16 Mar 96

[FBIS Transcribed Text] Pyongyang, March 16 (KCNA) — Guyanese political parties and social organizations condemned the South Korean rulers' scheme to build nuclear facilities near the Military Demarcation Line in Kosong County, South Korean Kangwon Province.

In a joint statement the United Republican Party, the People's Democratic Movement, the National Committee for the Study of the Chuche Idea of Comrade Kim Il-song, the Federation of Agricultural and General Workers, the Guyana-Korea Friendship Association, the General Workers' Union and the Movement of Youth and Students said the project in an area where the North and the South of Korea are standing in sharp military confrontation is a deliberate provocation by the South Korean authorities.

They demanded that the South Korean authorities promptly cancel the project which may further deteriorate inter-Korean relations and gravely threaten the peace and security of the Korean peninsula.

They also declared that they fully support any initiative for Korea's peaceful reunification.

DPRK: Defector: Minds of ROK People Attracted to DPRK

SK1603100996 Pyongyang KCNA in English 1006 GMT 16 Mar 96

[FBIS Transcribed Text] Pyongyang, March 16 (KCNA) — Cho Won-ki, who defected to the northern half of Korea and is now living a new life, said that the minds of the South Korean people are being attracted to the North, to the embrace of human love of the great leader Comrade Kim Chong-il.

In an interview with reporters a few days ago, he said:

"In the South all kinds of social evils, irregularities and corruption are rampant, foreign ways of life hold sway and the people are now leading a miserable life as slaves of money.

"When in South Korea, I heard many stories about boundless humanism of the great President Kim Il-song and the respected General Kim Chong-il and about the politics for humanity pursued by them.

"I could know on several occasions in South Korea that the North, indeed, is a wonderful society, and when I first saw the image of the general, I was fascinated by his modest and benevolent behavior and personality.

"Seeing his portrait, many people in Chongju, North Chungchong Province where I lived, wish that they could live under his politics in a unified country at an early date."

DPRK: 'Main Culprits' of Kwangju 'Must Be Judged'

SK1703065896 Pyongyang KCNA in English 0650 GMT 17 Mar 96

["Main Culprits of Kwangju Bloodbath Must Be Punished" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 17 (KCNA) — The truth behind the Kwangju incident must clearly be probed as demanded by South Korean people and the main culprits of the Kwangju massacre and all other military dictatorial forces involved in the bloodbath must be judged and punished, says NODONG SINMUN today.

The analyst of the paper says:

The traitors Chon Tu-hwan and No Tae-u have been detained, but most of those involved in the Kwangju massacre live unpunished. Furthermore, they act arbitrarily as government and party officials.

The traitor Kim Yong-sam has no intention to punish those responsible for the Kwangju bloodbath.

He directed such a third-rate drama in a bid to win popularity by availing himself of the struggle of the people and prevent all his true color as an accomplice from being exposed to public circles by hiding the main culprit of the world-startling secret fund scandal in a prison.

It is told that Kim Yong-sam will release Chon Tu-hwan and No Tae-u on "bail from illness" at a time when voices of the public opinion calm down and the attention of the people slackens.

It is obvious that a proper solution to the Kwangju incident cannot be expected from the "civilian" dictatorial regime of Kim Yong-sam, an offspring of the military dictatorial regimes of "Fifth and Sixth Republics".

The struggle of South Korean people for a proper solution to the Kwangju incident must be developed into a struggle to topple the traitorous Kim Yong-sam group.

DPRK: Broadcasting Union Threatens Solidarity Strike With MBC

SK1703071396 Pyongyang KCNA in English 0644 GMT 17 Mar 96

[FBIS Transcribed Text] Pyongyang, March 17 (KCNA) — The Preparatory Committee of a Unified Union of Broadcasting Workers, which embraces the unions of four broadcasting companies including the "Korea Broadcasting System" in South Korea, decided to enter into a general solidarity strike instantly in case police are mobilized against the strike of the union of the Munhwa Broadcasting Corporation [MBC], a radio report from Seoul said.

The decision came at a conference of the committee which was held immediately after the MBC union went on strike on March 14.

The committee criticised the fascist clique for trying to control the broadcasting network with the approach of "elections."

DPRK: 'Reverence' for Kim Chong-il 'Deepening' in ROK

SK1803111596 Pyongyang KCNA in English 0932 GMT 18 Mar 96

[FBIS Transcribed Text] Pyongyang, March 18 (KCNA) — Reverence for the Great Leader Comrade Kim Chong-il has been deepening among people from all walks of life in South Korea, a Seoul-based radio Voice of National Salvation said.

According to an information of the Seoul City Committee of the National Democratic Front of South Korea (NDFSK), Ho In-su, a clerk of a company, told his colleagues that, when he was in the United States on business, he heard that Americans were calling the leader Kim Chong-il the general.

"I deeply felt how high his prestige is", he said.

"It is a good fortune and honour of the Korean nation to hold another great man, the leader Kim Chong-il, in high esteem as the general of Mt. Paektu, after the Great Leader President Kim Il-song, who had gained his renown as the great general of Mt. Paektu," he added.

According to an information of the Kangwon provincial NDFSK Committee, Choe Yong-su, a resident in Chiljon-tong, Chunchon City, in a train from Chunchon to Hongchon on Feb. 16, turned on a tape recorder for passengers to hear ten pieces of songs including "Chong-il Peak, Shine" and "Thunder on Chong-il Peak" and appealed to them to pray for the longevity of General Kim Chong-il.

According to an information of the North Chungchong Provincial NDFSK Committee, Kim Hui-nam, chief of an organization under the Feb. 16 Sun Society active in Chongju area, told members of the society:

"Through propaganda activities conducted this time on the February holiday, we could deeply feel people's reverence for the leader Kim Chong-il that was remarkably growing.

"Many people asked for his photo and famous works and had a great interest in having a deep understanding of the North's realities developing under his wise leadership.

"We should invigorate the propaganda in the future so as to make all of the people in the South attracted by his greatness and cherish absolute loyalty and fidelity to him."

DPRK Paper Urges Japan To Admit Comfort Women 'Crime'

SK1603044996 Pyongyang KCNA in English 0434 GMT 16 Mar 96

["Japan Must Admit its Responsibility to International Law" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 16 (KCNA) — The Japanese authorities still refuse to admit such an extra-large inhuman crime as the "comfort women for the Army" issue and are resorting to every conceivable means to shirk their responsibility for it.

Commenting on this, a signed article of NODONG SINMUN today says:

Japan can never deny that the issue is a crime of violating the international law nor shirk its responsibility.

The Japanese Army committed murder, annihilation, enslavement, kidnapping and other inhuman acts against sexual slaves, that is war crime, a "crime against humanitarianism."

It is an undeniable fact that the issue of the "comfort women for the Army" is a wanton violation of the international law and a heinous crime of human rights violation whose prescription is not extinctive. That is why the international committee of jurists, recognized to be a supreme authority of international law, and the international labour organisation call the Japanese Government to account.

Nevertheless, the Japanese authorities claim that the issue does not belong to the category of crimes violating the international law and that it admits of no application of a law. What they seek in this is to evade a state reparation.

They set up a "civilian fund" in a bid to gloss over the issue, which denies their violation of the international law and evades the state responsibility and compensation.

The crime is not a matter of prevarication.

If the Japanese authorities persist in evading the state responsibility for the issue, Japan will not wipe out a stain on its name as a criminal forever.

The Japanese authorities must clearly know that they cannot shirk their responsibility for the state compensation.

DPRK: Russian Group Supports DPRK Proposal for Peace, Unity

SK1603100796 Pyongyang KCNA in English
1003 GMT 16 Mar 96

[FBIS Transcribed Text] Moscow, March 14 [date as received] (KCNA) — Kang Il, chairman of the International Korean Association (Unity), in a press interview on March 12, hailed the initiative of the joint meeting of political parties and organizations of the DPRK. He called on all Koreans to positively respond to it and turn out in the struggle for ensuring peace on the Korean peninsula through great national unity and for achieving the reunification of the country by confederacy.

He said that the Korean people regard the three principles of national reunification— independence, peaceful reunification and great national unity— advanced by the great leader President Kim Il-song, as the main principle in the struggle for reunification.

To make this "a year of peace and great national unity" it is necessary to have broad contacts and negotiations between our compatriots in the North, South and overseas, he said, and continued:

"The International Korean Association (Unity) will make all efforts to this end".

He called upon people of the world to fully support the struggle of the Korean people to make 1996 "a year of peace and great national unity".

DPRK: New Envoy to Sweden Presents Credentials to King

SK1503010796 Pyongyang Korean Central Broadcasting Network in Korean
1300 GMT 11 Mar 96

[FBIS Translated Text] Kim Ung-rim, our country's newly-appointed ambassador extraordinary and plenipotentiary, presented his credentials to Swedish King Carl Gustaf XVI on 7 March.

During the meeting, the ambassador conveyed greetings from the great leader [widaehan yongdoja] Comrade Kim Chong-il to King Carl Gustaf XVI. The king expressed deep gratitude for this and asked the ambassador to convey his warm greetings to the great leader [widaehan yongdoja] Comrade Kim Chong-il.

Noting that peace and security on the Korean peninsula have an important impact on the peace and security of this region and other parts of the world, the king said he is rejoiced over the conclusion and implementation of the agreed framework between the DPRK and the United States to solve the nuclear issue on the Korean peninsula. He added that he hopes the peace and reunification of Korea will be realized at an early date.

Noting that relations between Sweden and the DPRK have been developed on good terms, he said he is convinced these relations will further expand to other fields as well.

DPRK: Foreign Party Leaders Urge Socialist Reconstruction

SK1603040796 Pyongyang KCNA in English
0342 GMT 16 Mar 96

[All non-Korean names are as received]

[FBIS Transcribed Text] Pyongyang, March 16 (KCNA) — Leaders of Yugoslav political parties met a delegation of the Workers' Party of Korea [WPK] on March 5 respectively.

Ratko Krsmanovic, president of the National Committee of the League of Communists-Movement for Yugoslavia, told the delegation that the Korean party and people are building a peculiar socialism centred on the popular masses under the wise guidance of the great leader Comrade Kim Chong-il, holding the banner of the chuche idea aloft. "This greatly inspires the world's progressive forces in their struggle for the rebuilding of socialism," he added.

Stevan Mirkovic, president of the presidency of the Communist Workers' Movement of Yugoslavia, said that as Comrade Kim Chong-il clarified, it is a truth proved by history that if the ruling party in a socialist country secures ideology, socialism will triumph and if it loses ideology, socialism will go to ruin. And he vowed to strive for the rebuilding of socialism in Yugoslavia maintaining the faith in socialism until the end of his life.

Branko Kitanovic, general secretary of the New Yugoslav Communist Movement, said the Pyongyang declaration was a historic document which inspired the world people with the conviction of sure victory of the socialist cause.

Miroslav Stepan, general secretary of the Central Committee of the Czechoslovak Party of Communists, met a WPK delegation on March 8. He declared that as the great leader Comrade Kim Chong-il said in his recently published works, socialism will surely be rebuilt and emerge victorious for its scientific accuracy and truth.

He vowed to continue the undaunted struggle for socialist reconstruction with the belief that socialism will surely emerge victorious.

DPRK: Swedish, Tunisian, Serbian Leaders Greet DPRK

SK1803113096 Pyongyang KCNA in English 0922 GMT 18 Mar 96

[FBIS Transcribed Text] Pyongyang, March 18 (KCNA) — State leaders of different countries voiced support to the Korean people's cause of justice, when they met DPRK ambassadors and a DPRK delegation.

King of Sweden Carl Gustaf the 16th said he is happy to see that the DPRK-U.S. framework agreement was concluded and is being carried into practice for the settlement of nuclear issue on the Korean Peninsula and he hoped the Korea's peace and reunification will be realized as soon as possible.

He expressed the belief that the relations between Sweden and the DPRK will further expand and develop in various fields.

Tunisian Prime Minister Hamed Karoui, authorized by the president, said his government highly appreciates the socio-economic development in the DPRK and its people's efforts for the peaceful reunification of the country.

He laid emphasis on the need to develop economic and trade relations commensurate with the good political relations between the two countries.

Serbian President Slobodan Milosevic, who is chairman of the Socialist Party of Serbia, expressed admiration for the fact that the Workers' Party and the people of Korea are steadfastly maintaining independence and firmly defending the nation's sovereignty even under the complex situation, underscoring the need to develop relations of friendship and cooperation between the two countries.

DPRK: Kim Yong-nam Greets Zaire Minister of External Relations

SK1503141096 Pyongyang KCNA in English 0945 GMT 15 Mar 96

[FBIS Transcribed Text] Pyongyang, March 15 (KCNA) — Vice- Premier and Foreign Minister Kim Yong-nam sent a message of greetings to Kititwa Tumansi upon his appointment as deputy prime minister and minister of external relations of the Republic of Zaire.

The message expressed the belief that the friendly relations between the two countries will continue developing on good terms, and wished him great success in his new work.

DPRK: WPK Sends Greetings to 6th Congress of Lao People's Party

SK1703071496 Pyongyang KCNA in English 0655 GMT 17 Mar 96

[FBIS Transcribed Text] Pyongyang, March 17 (KCNA) — The Central Committee of the Workers' Party of Korea [WPK] on March 17 sent a message of greetings to the 6th Congress of the Lao People's Revolutionary Party.

We believe that the congress will be of great importance in strengthening the party and consolidating and developing the people's democratic system, the message says.

It expresses the belief that the friendly and cooperative relations between the two parties and peoples of the DPRK and Laos will grow stronger and develop.

DPRK: Vice-Premier Kong Chin-tae Meets German, Singapore Visitors

SK1503140896 Pyongyang KCNA in English 0947 GMT 15 Mar 96

[FBIS Transcribed Text] Pyongyang, March 15 (KCNA) — Vice Premier of the Administration Council Kong Chin-tae met and had a friendly talk with the visiting delegation of the German Asia-Pacific Business Association led by its President Edgar E. Nordmann at the Mansudae Assembly Hall today.

The vice-premier met a delegation of the Trade Development Board of Singapore led by its member Ong Hian-eng and conversed with it also on Friday.

The head of the delegation said he hoped that the economic and trade relations with the DPRK will develop, and that the peaceful reunification of Korea will be realized as soon as possible at the behest of the Great President Kim Il-song.

DPRK: Kim Chong-il Receives Birthday Congratulations From Abroad

SK1703070896 Pyongyang KCNA in English 0642 GMT 17 Mar 96

[FBIS Transcribed Text] Pyongyang, March 17 (KCNA) — A message was sent to the great leader Comrade Kim Chong-il by Burundian President Sylvestre Ntibantunganya, congratulating him on his birthday.

Messages also came to him from Antigua and Barbuda Prime Minister Lester Bryant Bird, chairman of the Central Committee of the Socialist Party of Nepal Bairaja Panday, general secretary of the Liberal Party of Egypt Ragab Hilal, Hemeida, General Secretary of the People's National Party of Jamaica Maxim Henry Willson and General Secretary of the Liberation Movement of Sao Tome and Principle-Social Democratic Party Carlos Dias da Graza [spelling of party leaders' names as received].

The messages extend the warmest congratulations to Comrade Kim Chong-il and wish him a long life in good health.

DPRK: Kim Chong-il Replies to Foreign Party, State Leaders

SK1903094796 Pyongyang KCNA in English 0814 GMT 19 Mar 96

[FBIS Transcribed Text] Pyongyang, March 19 (KCNA) — The Great Leader Comrade Kim Chong-il sent telegrams to party leaders and heads of state of different countries in reply to their messages of greetings on the occasion of his birthday.

Among them were first secretary of the C.C. [Central Committee] , Communist Party of Cuba, president of the Council of State and president of the Council of Ministers of Cuba Fidel Castro Ruz, Cambodian King Norodom Sihanouk, Chairman of the National Defence and Security Commission of Laos Khamtai Siphandon, Lebanese President Elias Hrawi, Syrian President Hafiz al-Asad, acting head of state of Cambodia and Chairman of the C.C., People's Party of Cambodia Chea Sim, First Prime Minister of Cambodia Norodom Ranariddh, Second Prime Minister of Cambodia Hun Sen, Emir of Kuwait Jabir al-Ahmad al-Jabir al-Sabah, Pakistani President Sardar Farooq Ahmad Legari, Pakistani Prime Minister Benazir Bhutto, Palestinian President Yasir 'Arafat, who is chairman of the Executive Committee of the Palestine Liberation Organization (PLO) and head of the Palestine National Authority, Sultan Qabus Bin-Sa'id al Sa'id of Oman, Jordanian King Husayn the first, Indonesian President Suharto, Yemeni President 'Ali 'Abdallah Salih, Ghanaian President Jerry John Rawlings, Chairman of the Armed Forces Transitional Ruling Council and head of state of Gambia Yahya A.J.J. Jammeh, Guinean President Lansana Conte, head of state and commander-in-chief of the Armed Forces of Nigeria Sani Abacha; leader of the Great September First Revolution of Libya Mu'ammar al-Qadhdhafi, President and head of state of Mali Alpha Oummar Konare, President of Sahara and Secretary General of the Polisario Front Mohamed Abdelaziz, Sudanese President 'Umar Hasan Ahmad al-Bashir, head of state and Chairman of the National Provisional Ruling Council of Sierra Leone Julius Maada Bio, Seychellois President France Albert Rene, president, head of state and founder-chairman of the Democratic Party of Equatorial Guinea Obiang Nguema Mbasogo, Kenyan President Daniel T. Arap Moi, Tanzanian President Benjamin William Mkapa, President of Cote d'Ivoire Henri Konan Bedie, Congolese President Pascal Lissouba, Togolese President Gnassingbe Eyadema, Algerian President Liamine Zeroual, Egyptian President Muhammad Husni Mubarak, Ethiopian President Negasso Gidada, Russian President B.N. Yeltsin, Macedonian President Kiro Gligorov, Maltese President Ugo Mifsud Bonnici, Yugoslav President Zoran Lilic, Guyanese President Cheddi Jagan, Prime Minister of the Commonwealth of Dominica Edison James, Mexican President Ernesto Zedillo Ponce de Leon, Belizean Prime Minister Manuel Esquivel, Jamaican Prime Minister P.J. Patterson, President of Trinidad and Tobago Noor Hassanali, Prime Minister of Saint Vincent and the Grenadines James Fitzallen Mitchell, Prime Minister of St. Kitts-Nevis Denzil Douglas and Prime Minister of Antigua and Barbuda Lester Bryant Bird.

Comrade Kim Chong-il in the telegrams expressed thanks to them for warm congratulations and wishes on his birthday.

He expressed the belief that the traditional relations of friendship and cooperation between Korea and those countries will further strengthen and develop.

DPRK: Chuche-Based Theory on 'Giving Priority to' Ideology Lauded

SK1803113196 Pyongyang KCNA in English 0928 GMT 18 Mar 96

["Validity and Invincible Vitality of Chuche-Based Theory on Giving Priority to Ideology " — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 18 (KCNA) — The chuche-based theory on giving priority to ideology that decides everything is, indeed, a great idea and theory associated with the greatness of the respected General Kim Chong-il and an eternal, ever-victorious banner of the Korean revolution.

So says NODONG SINMUN in a signed article today.

The great leader Comrade Kim Chong-il said:

"Ideological consciousness plays the decisive role in human activity."

The author of the article notes that the scientific accuracy and the truth of the chuche-based theory on giving priority to ideology have been fully proved through the historic practice of the Korean revolution, and its validity and vitality have been more clearly proved through the lesson from the process of the collapse of socialism in some countries.

The article goes on:

The Workers' Party of Korea has always attached primary importance to ideological factor in leading the revolution and construction and confidently placed ideological work before all other work. When the difficult and complicate situation was created and the revolution was faced with heavy but vast tasks, the party went deep among the masses and aroused their ideology and revolutionary enthusiasm to overcome difficulties and ordeals in their way and make a breakthrough. This is the traditional mode of revolution and fighting trait of the party.

The Korean people could effect a great upsurge of chollima on the debris after the war to startle the world and successfully build a socialist powerful state, independent, self-sufficient and self-reliant in defence, and usher in a great heyday of socialist construction in the heat of the speed campaign. And they are firmly adhering to the socialist banner, not yielding to ceaseless challenges and obstacles of the imperialists. All this is unthinkable without the revolutionary leadership of the party which is putting main stress on ideology.

The process of the breakdown of socialism in a number of countries teaches us the serious lesson that, if one overlooks ideology and abandons ideological work in socialist society, this will make people ideologically sick. It will corrupt and destroy everything socialist. If the ideological bulwark falls down, socialism will be unable to defend itself no matter how great its economic and military power may be.

DPRK: Kim Il-song's Work Published in Booklet in Cuba

SK1903061796 Pyongyang KCNA in English 0413 GMT 19 Mar 96

[FBIS Transcribed Text] Pyongyang, March 19 (KCNA) — "Young People Must Accomplish the Revolutionary Cause of Chuche, Upholding the Leadership of the Party," a famous work of the great leader president Kim Il-song, was published in booklet by the Academia Publishing House, Cuba, on March 15 on the occasion of his birthday.

The work outlines the tasks facing the young people in accomplishing the revolutionary cause of chuche. It stresses among other things that young people should unite around the great leader Comrade Kim Chong-il and uphold the leadership of the party with loyalty.

The work was issued on February [words indistinct].

DPRK Article Describes Leader as Top Revolutionist

SK1703052896 Pyongyang NODONG SINMUN in Korean 11 Feb 96 p 2

[Article by Hwang Chang-man: "The Leader Is the Supreme Representative of Revolutionary Seniors"]

[FBIS Translated Text] In his classical work "Respecting the Revolutionary Seniors Is a Lofty Moral Obligation of Revolutionaries," the great leader [widaehan yongdoja] Comrade Kim Chong-il presented a unique ideology that the leader [suryong] is the supreme representative of the revolutionary seniors.

The great leader [widaehan yongdoja] Comrade Kim Chong-il pointed out:

The leader [suryong] is the supreme representative of revolutionary seniors; faithfulness toward the leader [suryong] is the ultimate expression of revolutionary obligation.

The leader [suryong] of the working class is the top brain and leader [yongdoja] of the revolution. The popular masses are the main force of history, but are not always the independent main force of history that independently and creatively cultivates its destiny. When they are led by the leader [suryong], only then can the popular masses be bound in one ideology and one organization as well as secure and fulfill their role as the true masters of their destiny and an independent force of history. The leader's [suryong] leadership brings up revolutionaries and inspires the people with the revolutionary struggle.

Revolutionary seniors are the pioneers of the revolution. They laid down their lives for the revolutionary cause and left behind their merits. All revolutionary seniors were able to set out on the road of the revolution and gain dignity and honor as revolutionaries under the leadership of the leader [suryong]. Just as the revolution was inconceivable without the leader [suryong], so were revolutionary seniors inconceivable without the leader [suryong]. The leader [suryong] and the revolutionary fighters shared a common fate. The leader [suryong] and fighters were one in body, mind, and organism, united in ideology and bound in obligation. Revolutionaries were the leader's [suryong] fighters who struggled to implement the leader's [suryong] revolutionary cause, as well as revolutionary comrades who forever shared the destiny of life and death with the leader [suryong] along the single road of the revolution. The precious lives of all revolutionary seniors who registered brilliant feats during different phases of the revolution were connected with the leader [suryong] in blood ties. The leader [suryong] is the supreme representative of revolutionary seniors.

The reason why the leader [suryong] is the supreme representative of revolutionary seniors is because the leader [suryong] presented a scientific revolutionary ideology, strategies, and tactics. Thus, the leader [suryong] was the top brain that brightly lighted the road before the revolutionaries.

Revolutionary seniors were the forerunners and fighters of the times who set out on the road of revolution before the others. They understood the truth of the revolution and learned that without the revolution, they could not lead a human life. Revolutionary seniors joined the revolution during its pioneering course without hesitation, dedicating everything to the revolution. Those revolutionary seniors must have had a revolutionary ideology that guided their struggle and their lives. The scientific revolutionary ideology plainly explained to the revolutionaries the objectives and goals as well as how to accomplish their goals. The ideology was an ideological and spiritual nourishment that enabled them to maintain a firm faith in the victory of the revolution and to indomitably fight on.

The ideology that awakened the ordinary people, inspired them to the revolution, and brought them up as genuine revolutionaries was provided by the leader [suryong]. The leader [suryong] of the working class created the guiding ideology that lighted the future of the era and of the revolution, doing so with extraordinary wisdom and insight. He presented a scientific strategy and tactic at every phase and at every turning point in the development of the revolution. The revolutionary ideology, strategies, and tactics presented by the leader [suryong] for the working class explain all theoretical and practical problems and give valuable guidelines for revolutionaries to live by and to struggle by.

Thus, the leader's [suryong] revolutionary ideology is the lifeline of revolutionaries. Whether or not they were armed with the leader's [suryong] ideology was the most important factor in deciding whether or not they were revolutionaries. Only those who learned the leader's [suryong] revolutionary ideology as their faith were able to follow the glorious road of the revolution and devote themselves to the fight.

The leader [suryong] not only provided the revolutionary ideology, strategies, and tactics, but also organized the masses and made them conscious, thus leading the revolution to victory. The leader [suryong] was always with the masses, taught them the truth about the revolution, and tightly bound them into one political force. Under the outstanding leadership of the leader [suryong], the popular masses—who suffered from all sorts of exploitation, deprivation of rights, mistreatment, and suppression—were able to become the true master of their own destiny and boldly rise to the revolutionary struggle. Many revolutionaries were raised and are now proudly called revolutionary seniors by later generations.

The reason the leader [suryong] is the supreme representative of revolutionary seniors is because the leader [suryong] was a great teacher who gave a lofty sociopolitical life to revolutionary seniors and led them to glorify their valuable lives along the single road of the revolution.

All revolutionary seniors live forever with their valuable sociopolitical life. A sociopolitical life is the first life of revolutionaries. The physical life has its limits, but the sociopolitical life lives forever. Thus, revolutionaries value their sociopolitical life the most, and would lay down their physical lives without hesitation for their political life. Revolutionary seniors live forever in the memory of later generations because their sociopolitical life is immortal.

The sociopolitical life of revolutionary seniors was provided by the leader [suryong] of the revolution. The sociopolitical life is inconceivable without the unified body of the leader [suryong], the party, and the masses. The life of a sociopolitical group is centered around the leader [suryong]. When the popular masses are united in one around the leader [suryong], only then can they live a life as an independent sociopolitical group. Revolutionary seniors gained their sociopolitical life because they were united in ideology, will, and moral obligation around the leader [suryong], who is the center of the sociopolitical body.

Relations between the leader [suryong] and revolutionary seniors are those between the giver and taker of political life, between a real father and son. The father takes care of the son's destiny, and the son entrusts his destiny to the father. The leader [suryong] not only provided a valuable sociopolitical life to revolutionary seniors, but also led them to unceasingly glorify their political life along the single road of the revolution. Because the leader [suryong] boundlessly cared and loved them as comrades who share one will, life, and death, revolutionary seniors kept and fought for their oath to the end, enjoying the rewards and happiness of life. The leader [suryong] gave the most valuable sociopolitical life to revolutionary seniors and endlessly glorified their lives. The leader [suryong] is the benefactor and eternal sun of revolutionary seniors.

Another reason why the leader [suryong] is the supreme representative of revolutionary seniors is because all the achievements of revolutionary seniors are attributable to the outstanding leadership of the leader [suryong].

Revolutionary seniors registered immortal achievements for the fatherland, the people, society, and the collective. Those who achieved nothing for the fatherland and the people, and who devoted nothing for later generations, are not revolutionary seniors. Even though they engaged in the revolutionary struggle before the others, they cannot be respected by later generations. Even in the most difficult situation, revolutionary seniors did not pursue their personal interest or reputation, but fought for the fatherland and the people, laying down their lives without hesitation and registering lofty revolutionary achievements.

The achievements of the revolutionary seniors are inconceivable without the wise leadership of the leader [suryong]. The revolutionary seniors' achievements from arduous struggles were possible by upholding the leader's [suryong] outstanding ideology and leadership. Their achievements are passed down to later generations by the leader's [suryong] lofty revolutionary obligation and warm care. With outstanding wisdom and farsightedness, the leader [suryong] presented the principles, methods, strategies, and tactics for the revolutionaries to maintain during their revolutionary struggles, so that they remain unhesitant and unflinching at any difficulty or trial and vigorously fight on. The revolutionary spirit of self-reliance and fortitude, mass heroism, limitless sacrifice, and strong will displayed by the revolutionaries on the arduous road of the revolutionary struggles were formed during the course of upholding the leader's [suryong] ideology and leadership. This was the ideological and spiritual fountain for them to accumulate great achievements for the revolution.

The revolutionary achievements of the leader [suryong] were made by the harmonious whole formed with the revolutionary fighters. The achievements are the essence of the achievements of the revolutionary seniors. The achievements of the revolutionary seniors dwell in the great achievements of the leader [suryong].

The great leader [widaehan yongdoja] Comrade Kim Chong-il's classical definition that the leader [suryong] is the supreme representative of the revolutionary seniors has a great theoretical and practical significance, because the definition strengthens the revolutionary view on the leader [suryong] and exposes and punishes the antirevolutionary crimes of the betrayers of socialism, who viciously slander the leader [suryong] of the revolution and the revolutionary seniors.

The ideology that the leader [suryong] is the supreme representative of the revolutionary seniors can be expressed in the attitude and position of upholding the leader [suryong] and in respecting the revolutionary seniors. The ideology elucidates a profound truth that the dignity and honor of the revolutionary seniors will shine forever only when the leader [suryong] is invariably upheld. The faithfulness toward the leader [suryong] is connected with the respect for the revolutionary seniors. Those who respect the revolutionary seniors are genuine revolutionaries who have a revolutionary view on the leader [suryong].

As we review history, when the imperialists and betrayers of the revolution opposed the socialist cause, they turned the brunt of their attack to the leaders [suryongdul] and former-generation revolutionaries. Betrayers of socialism denied the revolutionary seniors' achievements made under the leader's [suryong] ideology and leadership, and humiliated the revolutionary seniors and defamed the authority and position of the leader [suryong]. Viciously slandering and humiliating the revolutionary seniors is in essence a slandering against the leader [suryong], who is the supreme representative of the revolutionary seniors. The ideology that the leader [suryong] is the supreme representative of the revolutionary seniors is a mighty ideological and theoretical weapon that can discern and smash the reactionary and dangerous nature of the enemies of the revolution and their antirevolutionary maneuver.

Today, our people uphold the great leader [widaehan suryong] Comrade Kim Il-song as the eternal leader [suryong], and the respected and beloved Comrade Kim Chong-il [kyongaehanun kimjongil tongji] as the top brain [choego noesu] and teacher of our revolution. They proudly call themselves the fighters and disciples of the fatherly leader and the respected and beloved [kyongaehanun] general. Even though the fatherly leader passed away, the leader [suryong] is forever with our people as the sun of chuche and as the leader [suryong] of the revolution. Because the respected and beloved [kyongaehanun] general, who is the same as the fatherly leader—the supreme representative of the revolutionary seniors—is our great leader [widaehan yongdoja], the honor and dignity of the revolutionary seniors will endlessly shine in our country.

DPRK: Kim Il-song Work on Central Economic Control Reviewed

962C0013A Pyongyang NODONG SINMUN in Korean 23 Sep 95 p 2

[FBIS Translated Text] Honorable comrade Great Leader Kim Il-song delivered the arduous classic as a speech at the 23 September 1965 KWP plenary's State Planning Committee convocation, propounding in exhaustive detail a policy to open the way to a basic reorientation of the planning enterprise so as to bring it in line with the practical demands of the socialist economy's character and with developing the people's economy.

The planning enterprise constitutes the first stage of the overall economic endeavor, and planning quality determines whether building the socialist economy shall succeed.

The honorable Great Leader based his arduous classic on a profound analysis both of the basic demands of the socialist economy and of the situation actually prevailing in the state's planning enterprise, propounding a policy for achieving integrated and detailed planning.

The arduous classic presents a painstaking and comprehensive survey of the nature and superiority of integrated and detailed planning and of the principles and procedures necessary to implement integrated and detailed planning. The arduous classic's ideas and theories constitute a policy canon which must be observed in perpetuity to manifest the superiority of the socialist planned economy and to address the issue of eliminating decisively the antiquated systems and procedures of the planning enterprise, the issue of strengthening firmly the planning agencies, and the issue of heightening planning workers' sense of identity with the KWP, with the working class, and with the people.

For the past 30 years, the ideas and theories mandated in the arduous classic have actualized gloriously the building of our socialist economy and have enabled us to exhibit an enormous vitality, validating totally the veracity and the scientific nature of these ideas and theories.

To continue to embrace the policy canon for integrated and detailed planning propounded in the arduous classic and to continue to implement it in detail, herein lies the staunch guarantee that we will move forward swiftly and without pause to build the socialist economy and to make our country, our fatherland, even stronger, even richer.

More than anything else, the grand significance of the arduous classic is that it propounds a policy canon with which to manifest the superiority of the socialist planned economy.

The planned and balanced development of the people's economy embodies the socialist economy's distinctive character and is a feature of the socialist economy which makes it decisively superior to the capitalist economy. It does not follow, however, that the superiority of the socialist planned economy manifests itself automatically because socialist economic institutions are adopted. That superiority depends in large measure on how the enterprise to plan the socialist economy is implemented.

The path to socialism remains untrodden, and the enterprise of the planned management and operation of the socialist economy has only newly emerged. The precept that the people's economy must be developed through balance and planning has long been recognized as an important law of socialist economics, but until now nobody has been able to enunciate the right planning system and the procedures to implement the law's demands. The honorable Great Leader resolved the problem for the first time in socialist history, and brilliantly so, propounding the planning system and the procedures to develop the people's economy through balance and planning. Integrated and detailed planning is that unique contribution by the honorable Great Leader which constitutes the socialist economy's most scientific planning system and procedures.

The arduous classic delineates completely the character and superiority of a new planning system and procedures, as well as the principles necessary to implement them. Integrated planning guarantees planning uniqueness while adhering to the state's integrated directives, and detailed planning is that procedure which coordinates precisely and specifically the production and management activities of all sectors of the people's economy, all factories, and all work sites. Integrated planning enhances the discipline of centralization and increases decisively the self-sufficiency of the socialist state's economic organizations, while detailed planning assures that plans for the people's economy are minute and balanced. Integrated and detailed planning constitutes a peerless planning system and procedures, a system of our own style which is precisely that approach which links correctly the KWP's leadership with its mass line to build the socialist economy, and which enables us to manifest patently the superiority of the socialist economic system.

The thorough implementation of the honorable Great Leader's policy of integrated and detailed planning has caused the State Planning Committee and planning cells today in our country to achieve a sound planning system, and the plans for the people's economy are scientific, dynamic, and practical, reflecting precisely KWP economic policy and the masses' revolutionary enthusiasm, ingenuity, and inventiveness. The honorable Great Leader prepared for us a mighty weapon with which to manifest the superiority of the planned socialist economy, enabling us to demonstrate its power even more, allowing our KWP and our people to defend staunchly our socialist economic system without the slightest ripple, even as others scuttled the building of the socialist economy and even embraced the market economy.

Great Leader Comrade Kim Il-song's immortally meritorious contribution is the propounding of the policy of integrated and detailed planning, which resolves illustriously the crucial, historic task of managing and operating the socialist economy, sparking the victorious advance of the socialist enterprise while radiating honor forever.

The arduous classic's significance and vitality lie also in having accomplished the urgent strengthening of the functions and duties of the state planning agencies, as well as in having enabled planning workers to devote their whole being to the struggle to achieve KWP economic policy.

Great Leader Comrade Kim Il-song taught, "We must fortify firmly the State Planning Committee and the other planning agencies to manifest fully the superiority of the KWP's integrated planning system and detailed planning and to improve decisively the planning enterprise."

The state planning agencies and the planning workers are the parties responsible directly for executing the enterprise of planning the people's economy. How well the state planning agencies and the planning workers execute their duties determines the extent to which planning the people's economy conforms with the KWP's intentions and with the basic character of socialist society.

The honorable Great Leader's arduous classic delineates the functions and missions of the state planning agencies and the preparation needed to spur planning workers to be faithful continually to the KWP, providing in detail all the tasks and procedures necessary to improve the performance of their office. As the arduous classic makes clear, the State Planning Committee is an economic operations agency which executes KWP and state economic policy, and whether planning agencies rightly or wrongly plan the people's economy determines greatly the success of building the economy. Thus, the very crucial issue is to improve the operation and management of the economy and to promote the building of socialism by fortifying firmly planning agencies at all levels and by preparing planning workers to be competent and to be faithful continually to the KWP.

The ideas and theories propounded in the arduous classic form a policy canon which planning agencies and planning workers must adopt to execute the KWP's policy on integrated and detailed planning, to include fortifying planning agencies and offices with superior workers who possess a firm sense of party loyalty and a lofty knowledge of economic technology and who understand intimately how to execute the country's economic housekeeping; intensifying planning workers' party activity so as to heighten their sense of identity with the KWP, with the working class, and with the people; and motivating KWP organizations to take keen interest in fostering in planning workers an attitude of proprietorship for the country's economic housekeeping, and in boosting these workers' sense of responsibility and practical political competence.

The ideas propounded in the arduous classic have borne fruit in that the State Planning Committee and all other planning agencies today are performing their missions and functions rightly, having been fortified firmly with capable planning workers who are armed with advanced science and technology and who are devoted to the KWP and to the Leader. The ceaseless stress on ideological cultivation and organizational life among state planning agencies' workers has given them all a lofty sense of identity with the KWP, with the working class, and with the people, so that they are struggling devotedly to perform exhaustively their honorable, heavy responsibilities before the KWP and the revolution. As a result, the vitality of the policy of integrated and detailed planning daily grows more manifest in our country, the KWP's ideas and intentions for building the economy are being reflected accurately and in a timely manner in the plans for the people's economy, and the people's lofty revolutionary fervor and creative vigor are implementing them gloriously.

Reality reveals clearly that to the extent that we observe the ideas and theories expressed in the honorable Great Leader's arduous classic, no problem in the enterprise of planning the socialist economy can remain intractable, and we can achieve momentous, creative improvements in building the economy.

The honorable Great Leader's clear delineation of the path to planning the people's economy in his arduous classic is a genuinely eternal achievement, contributing conspicuously to the steadfast defense and glorification of our style of socialism, and to achieving the development of the wealth and power of our country, our fatherland.

Our KWP's incontrovertible policy is to embrace and to persevere to implement meticulously the integrated and detailed planning policy propounded by the honorable Great Leader.

The honorable dear comrade Kim Chong-il has adopted every measure to manifest more acutely the indestructible vitality of the integrated and detailed planning policy propounded by the honorable Great Leader.

Dear comrade Kim Chong-il's energetic leadership is implementing the revolutionary ideology and achievements he inherited unmodified from the Great Leader, and this is causing our KWP's policy on integrated and detailed planning to be under meticulous implementation.

Our people will continue to embrace in their day-to-day lives the policy of integrated and detailed planning of the people's economy, with its clearly proven suitability and vitality, and as they do so, they will achieve infinite wealth, power, and prosperity for their chuche socialist fatherland.

DPRK: Chuche-Based Military Force Building Strategies Lauded

962C0020B Pyongyang NODONG SINMUN in Korean 17 Nov 95 p1

[Editorial: "Let Us Add Luster Infinitely to the Achievements of the Great Leader Comrade Kim Il-song in the Military Force Building"]

[FBIS Translated Text] Today our revolutionary armed forces boast of their dignity and commanding presence as the army of the leader [suryong] and of the party. At this glorious time when great successes are being achieved in the chuche-based military force building under the leadership [yongdo] of the respected and beloved supreme commander Comrade Kim Chong-il, we solemnly mark the 50th anniversary of the founding of the Pyongyang Academy by the great leader Comrade Kim Il-song.

The founding of the Pyongyang Academy by the Great Leader 50 years ago on 17 November 1945 was a historic event of immortal significance in advancing dynamically the work of the chuche-based military force building, which was launched in the woods of Mt. Paektu, and in consolidating and developing our revolutionary armed forces into an invincible military might.

The founding of the Pyongyang Academy was the brilliant fruition of the great plan and leadership of the Great Leader for the training of revolutionary core elements faithful, competent, and capable of going forward shouldering our revolutionary armed forces. It opened a broad path to the building of a regular army even under the difficult conditions following Liberation, making it possible for our revolutionary armed forces to carry forward determinedly the glorious tradition of the anti-Japanese revolutionary struggle.

Today all officers and men of the Korean People's Army [KPA] and all the people recall deep in their hearts the immortal achievements of the great leader Comrade Kim Il-song in brilliantly charting the cause of the chuche-based military force building and leading the cause along the one road of invincibility, and in thus providing the firm guarantee for the military power for us with which to press on our revolutionary cause to the end to its consummation.

The history of victories of our revolutionary armed forces is the history of the unsurpassed and tested leadership of the respected and beloved leader Comrade Kim Il-song, the great military strategist and ever-victorious, iron-willed commander.

The great leader [yongdoja] Comrade Kim Chong-il pointed out:

"The KPA is the revolutionary armed forces the first ranks of which were launched by the Leader [suryong-nim] in person as he was charting the future of the Korean revolution, and which he brought up through the prolonged revolutionary struggle."

The leadership of the leader [suryong] is the lifeline of the building of revolutionary military force by the working class. Only a revolutionary army under the leadership [yongdo] of a great leader can fulfill, with its military might, the historic mission to defend and protect the revolutionary cause to the end.

The great leader Comrade Kim Il-song, who organized the first ranks of the revolutionary army early on as he was charting the future of the Korean revolution, made all-out efforts for its strengthening during the entire period of his revolutionary activity. Thanks to the Great Leader's iron will and tested art of command, our military forces could defeat the brigandish Japanese imperialists and achieve the historic cause of national liberation. And they could win the great victory in the fatherland liberation war against the U.S. imperialist aggression to firmly defend the socialist fatherland. On the road traversed by our revolutionary armed forces—which is the road of struggle full of trials and tribulations and the road of victory full of glory—is marked with the footprints of the great leadership of the Great Leader; both the brilliant achievements of the KPA and its invincible might are linked to the revered name of the Leader. In view of the history of its founding, strengthening, and development, and in view of its mission and duty representing the times, our army is the army of the great leader Comrade Kim Il-song, the army of the party, through and through.

The great leader Comrade Kim Il-song made immortal achievements on the long, arduous road of struggle leading the cause of the chuche-based military force building.

The fostering of a large number of revolutionary core elements constituting the nucleus of our revolutionary armed forces is a great achievement made by the Great Leader as he was pushing the cause of the chuche-based military force building.

When our fatherland was just liberated, the revolutionary army had not many core elements capable and prepared. However, our military forces today have a large number of revolutionary ones tested through decades of arduous struggle along with the old veteran fighters who had fought the ordeals of the anti-Japanese armed struggle. The core elements of our revolutionary armed forces, from the first to the second to the third generations of the revolution, are all revolutionary warriors who grew under the care of the Great Leader.

After opening the Pyongyang Academy, the great leader Comrade Kim Il-song built many training bases for military political cadres and, amid the high-spirited practical struggle leading the cause of the military force building, brought up a large contingent of core elements for the KPA. Immeasurable is the labor and energy the Fatherly Leader put into the indoctrination and fostering of commanding officers as warriors infinitely faithful to the party cause, and as capable commanding officers who have mastered the chuche-based military ideology and tactics, with his immense trust and love for them.

Today the preparedness of the KPA's core elements is in an excellent state. They are now performing their role admirably in the struggle to successfully advance the cause of the chuche-based military force building to its completion, upholding the leadership [yongdo] of the respected and beloved supreme commander Comrade Kim Chong-il. Just because it has such revolutionary core elements having high revolutionary spirit and strong combat power and carrying out orders of the supreme commander regardless of the circumstances, the KPA is so powerful and our revolutionary cause is so firmly defended.

It is a great achievement of the great leader Comrade Kim Il-song in the fulfillment of the cause of the chuche-based military force building that he strengthened the KPA's politico-ideological might and military technological power with no interruption, consolidating the nation's overall defenses and turning the country into an impregnable fortress.

It was the unremitting will of the Great Leader to build a powerful military power capable of protecting and defending our socialist gains on our own, resolutely under any circumstances. The great leader Comrade Kim Il-song early on set forth the self-reliant military line—calling for conversion of the entire army into a cadre army, modernization of the entire army, placing of all the people under arms, and fortification of the whole country—and led the struggle for its implementation sagaciously. It was a path of victory and glory that only a great leader with a high sense of responsibility for the destiny of the revolution, a peerless military strategist with outstanding military wisdom and resourcefulness, could tread.

Thanks to the Great Leader's foresight and sagacious leadership, the KPA could grow and develop into a one-a-match-for-a-hundred revolutionary fighting force firmly armed with our party's military strategic ideology and chuche-based tactics, and equipped with all the powerful offensive means and defensive means. The whole country became an impregnable fortress and the all-people, nationwide defense system was firmly established in the course of implementation of the line put forth by the Great Leader of pushing the economic construction and the defense buildup simultaneously.

Our socialist cause today is firmly defended even amid the frantic war provocation maneuvers by imperialists, thanks to the powerful self-reliant military forces which the Fatherly Leader created and put in place, devoting his life to the cause. As time passes by, we come to feel even more keenly the preciousness of the achievements the Great Leader made in the founding, strengthening, and development of our revolutionary armed forces.

Today the respected and beloved supreme commander Comrade Kim Chong-il, a military genius of our times, has succeeded to the cause of the chuche-based military force building charted by the great leader Comrade Kim Il-song and is developing it brilliantly.

It is the firm will of the respected and beloved comrade supreme commander to strengthen and develop our revolutionary armed forces forever as the army of the leader regarding the leader's military ideology as its guiding principle and carrying on and developing the leader's achievements in the military force building. The respected and beloved Comrade Kim Chong-il, putting forth the convert-the-entire-army-to-the-chuche-ideology slogan, has energetically led the work to foster all military personnel into true chuche-type revolutionaries infinitely loyal to the party and the leader and into one-a-match-for-a-hundred fighters, and to conduct the military force building and military activities thoroughly based on the Leader's military ideology and line. In this course, our army has taken on features characteristic of the army of the leader, the army of the party, even more vividly both in its ideological, mental attitudes and military spirit, and in its military might.

From the time the leadership of the respected and beloved Comrade Kim Chong-il began, great change began to take place in the cause of the chuche-based military force building. Our revolutionary armed forces today have grown into the symbol of wholehearted loyalty and filial piety symbolizing faithfulness passed on from generation to generation, iron-clad armed ranks moving as one once the supreme commander has issued his order, and of an invincible revolutionary might that no enemies—however formidable—can defeat.

It is because the leader who charted the cause of the military force building was great, and because the leader [yongdoja] who succeeded to it is great, that our revolutionary armed forces have their present full of pride, and their future full of hope. It is the great honor of our revolutionary armed forces that they have come a long, long way of revolution full of vigor led by the great leader who was extolled as a peerless commander, then by the great leader [yongdoja] praised as "Mt. Paektu-type commander."

Confronting us today is the heavy but honorable task to build up the KPA, the revolutionary armed might of our party, in every possible way, and to push ahead the cause of the chuche-based military force building, the socialist cause, through to its completion.

We should treasure infinitely what the great leader Comrade Kim Il-song achieved in his long, long journey leading the cause of the revolutionary military force building, and protect and preserve it determinedly.

The achievements of the leader in the military force building is the most precious revolutionary asset for the revolutionary army to protect and preserve generation after generation.

All the KPA officers and men and the people should never forget how arduous a struggle it was for the Great Leader to found, build up and develop our revolutionary armed forces.

We should realize even more deeply the greatness of the respected and beloved leader Comrade Kim Il-song, who, braving the sea of blood in the anti-Japanese struggle, and the sea of fire in the fatherland liberation war, led our army along the one road of invincibility. KPA officers and men should treasure as the apple of the eye, and keep adding luster to, the achievements of the Great Leader made in the course of fostering KPA core elements and strengthening the politico-military power of the army and consolidating the nation's general defenses. And they should continue to press ahead vigorously with their struggle to implement the historic instructions of the Great Leader to the people's armed forces.

We should continue to strengthen and develop the KPA truly as the army of the leader that upholds the leader unswervingly forever holding aloft the slogan **"The Great Leader Comrade Kim Il-song Is With Us Forever."**

The leadership of the respected and beloved supreme commander Comrade Kim Chong-il is the life of the KPA. The way to carry forward the cause of the chuche-based military force building to its ultimate completion lies, precisely, in upholding with loyalty the leadership of the respected and beloved comrade supreme commander in pursuance of the will of the late Great Leader.

The slogan held aloft by the KPA today and in the future is the slogan of loyalty pledging themselves to be bullets and shells to defend the respected and beloved comrade supreme commander with their lives. All its officers and men should become a citadel and a shield to defend the respected and beloved Comrade Kim Chong-il to the last with their lives, and to protect and defend the cause of our party with their guns, as the members of the 7th Regiment infinitely faithful to the headquarters of the revolution did. The revolutionary military spirit of carrying out orders and directives of the respected and beloved Comrade Kim Chong-il unconditionally through to the end, and of moving as one following the leadership of the comrade supreme commander, should be established even more firmly in the entire army. All officers and men of the KPA should firmly arm themselves with the Red Banner ideology and the Red Banner philosophy of the respected and beloved Commander Kim Chong-il, and become Commander Kim Chong-il's eternal warriors and disciples ready to go through any ordeals in the Arduous March spirit.

The prevailing situation demands that the KPA's military might be increased with no interruption. At a time when imperialists continue their frantic maneuvers against socialism and against our republic, we cannot afford to neglect the work to consolidate the KPA's combat power even a moment.

All KPA officers and men should arm themselves firmly with the chuche-based military strategic ideology and tactics put forth by the respected and beloved supreme commander Comrade Kim Chong-il. And they should further consolidate the KPA's combat preparedness. The five-point training guideline should be carried out thoroughly to ensure that all the officers and men are prepared as all-round commanding officers and as troops full of vitality, each being a match for a hundred.

If the KPA's politico-military might is increased in every possible way, no aggressors could dare to invade our territory, or our territorial airspace or waters, and our socialist fatherland will let its dignity known the world over.

It is the task of the whole party and all the people to strengthen the defense of the country. All the party members and working people should consolidate the all-people, nationwide defense system even more firmly, holding aloft the teachings of the late Great Leader with all their hearts. We should establish the ethos of attaching importance to the military in the whole society and ensure that the fine, traditional custom of unity between the army and the people is brought into full bloom.

Although the great leader Comrade Kim Il-song, the founder and builder of our revolutionary armed forces, left our side, the history of his great struggle has been brilliantly succeeded to by the respected and beloved supreme commander Comrade Kim Chong-il. Because the respected and beloved Comrade Kim Chong-il, who is the exact likeness of the Great Leader, takes the helm, the future of our revolutionary armed forces is brilliant and splendorous, its victory being a cinch.

Upholding the leadership of the respected and beloved supreme commander Comrade Kim Chong-il, all KPA officers and men will fight on ever more dynamically to carry forward and bring to successful completion the cause of the chuche-based military force building and the socialist cause charted by the Fatherly Leader.

DPRK: Socialist Ideology Hailed as 'Weapon for Nurturing Masses'

962C0020A Pyongyang NODONG SINMUN in Korean 1 Dec 95 p2

[Article by Ho Ui-myong: "The Socialist Ideology Is a Powerful Weapon for Nurturing the Masses of People into Independent Personalities"]

[FBIS Translated Text] The socialist cause is a cause that wins and advances by the power of ideology. To correctly elucidate the superiority and power of the socialist ideology is of extremely important significance in pushing the socialist cause energetically, shattering the sophistry of imperialists and reactionaries.

The great leader [yongdoja] Comrade Kim Chong-il, in his classic work "To Give Priority to Ideological Work Is an Indispensable Requirement for the Attainment of the Socialist Cause," fully elucidated the superiority of the socialist ideology.

The great leader [yongdoja] Comrade Kim Chong-il pointed out:

"The socialist ideology nurtures the masses of people into independent personalities possessed of the independent ideological consciousness and creative ability, but reactionary bourgeois ideologies reduce them to slaves obedient to rule of capital, and to the ideological, mental invalid."

The socialist ideology is a powerful weapon in bringing up the masses as independent personalities.

It is the inherent demand of the masses of people to live a true life and grow as independent personalities free of the fetters of all obsolete ideologies and culture and fully furnished with the independent ideological consciousness and creative ability. This demand can be met only when they arm themselves firmly with the socialist ideology under the socialist system. In the capitalist society, there is no chance of their demand being met as it should be. What imperialists and capitalists need is not independent personalities awakened to the independent consciousness and developed culturally, but slaves obedient and productive of surplus values. Therefore, imperialists and reactionaries would employ all sorts of falseness and deception to paralyze the normal thinking power of the masses and to spread bourgeois reactionary ideologies and the corrupt bourgeois way of life among them.

Bourgeois reactionary ideologies are a toxin that paralyzes their independent consciousness, deforming and depressing their cretive ability. Only when armed firmly with the socialist ideology under the socialist system is it possible for the masses to be completely free from the fetters of all obsolete ideologies and culture and realize their independent demand, each developing his or her individuality, aspiration, wisdom, and talent, to the full. The socialist ideology is, precisely, the true weapon for ideological liberation and human liberation, opening the path to unlimited ideological and mental development for people and nurturing the masses into independent personalities.

The socialist ideology is, above all, a powerful weapon for nurturing the masses of people to be independent personalities firmly armd with the independent ideological consciousness.

In order for men to be independent personalities, they must first of all have the independent ideological consciousness — the consciousness reflecting their inherent demand as social beings for living and developing independently as masters of their destiny free from all kinds of enslavement and constraint. In other words, the independent ideological consciousness is the self-awareness of people as masters of their destiny, and their will for working out their own destiny for themselves.

The socialist ideology represents the highest stage of development in the independent ideological consciousness.

A look back on the history of mankind shows that progressive classes had many advanced ideologies that met the independent demand of the masses of people. Other than the socialist ideology, however, they neither demanded an ultimate end to the exploitation and oppression of man by man nor showed a scientific way to realize that demand. The socialist ideology is the most revolutionary ideology to protect and realize the independent stand and attitude of the masses of people. That is why it represents the aggregate of human ideological development and the highest stage [illegible] development in the independent ideological consciousness. When armed firmly with socialist ideology, the masses of people can be resolute revolutionary fighters against exploitation, oppression, aggression, and plunder, and beautiful, noble people who struggle in the interest of the society and the collective, devoting everything they have to the struggle.

The socialist ideology is also a mighty ideological weapon for bringing up the masses as resourceful men, men of high, creative ability.

Along with the independent ideological consciousness, the creative ability constitutes an important qualification that the independent man should have. Only when the masses possess the high creative ability can they realize their independent demand.

The socialist ideology serves as a powerful weapon for developing the masses' creative ability to the full. Collectivism is the basis of the socialist society; the socialist ideology is, in essence, collectivist ideology. The basic requirement of socialist collectivism is to give priority to the interests of the state and society and to realize the individuals' demands and interests inside of the interests of the state and society. Socialist collectivism is not against the individual's demand and interest itself; it is against pursuing only the individual's interest at the expense of the interest of the state and society.

Socialist collectivism does not suppress the individuality, aspiration, wisdom, and talent, of each person; rather, it develops them to the full. It is not socialist collectivism but bourgeois individualism that suppresses them. Bourgeois ideologies suppress the individuality and aspiration and deform the creative ability of every one working to satisfy the unlimited individualistic avarice of a handful of exploiters, and therein lies their reactionary essence. Only when armed firmly with the socialist ideology under the socialist system can the masses of people bring their creative wisdom and ability into full bloom with the lofty purpose of serving the fatherland and people.

The true socialist ideology that nurtures the masses of people into independent humans is the chuche ideology.

The great leader Comrade Kim Il-song founded the chuche ideology and elucidated the principle of social history centering on man, thus placing the socialist ideology on a new, scientific foundation. The chuche ideology developed anew, and brought to perfection, the socialist ideology and theory, overcoming the historical limitations of the preceding socialist theories and all sorts of opportunist distortions of socialism and correctly reflecting the demand of the new era of history, the chuche era, in which the masses of people became the masters of their destiny. The chuche ideology is a thoroughly revolutionary ideology that puts it forth as the basic goal of revolution to protect and realize the independent stand and attitude—which is the life of men as social beings—and demanding that the revolution be continued to the end to its consummation. The chuche ideology is, precisely, the most scientific socialist ideology that meets the demands of the present era, and a powerful ideological weapon for nurturing the masses of people into an independent and creative existence.

The validity and vitality of the ideological theory of our party that the socialist ideology is a powerful weapon for bringing up the masses of people as independent personalities has been proved positively through practice.

In some countries that built socialism in the past, those advocating reversion to the bourgeois society clamored as if the bringing in of bourgeois ideologies meant some "ideological liberation." As the betrayers of socialism brought in the corrupt bourgeois ideologies haphazardly, people were taken prisoner by them, the society became corrupt and sick, and capitalism made a comeback. Currently, in those countries, exploitation and plunder prevail and honest labor is look on with disdain; crime is widespread, including fraud, swindling, murder, robbery, and flesh traffic, and people are being infused with racial discrimination, racism, and hate. Historical lesson shows that the bringing in of bourgeois ideologies, after all, has nothing to do with ideological liberation, and that there can be no ideological liberation apart from the socialist ideology.

In our country, the ideological indoctrination work to arm the masses of people firmly with the chuche ideology has progressed vigorously in the past period under the correct leadership of the party, and this resulted in basic change in the people's ideological and spiritual features. In our country, all the people are united in one mind, with the party and the leader [suryong] in the center and the whole society forms one harmonious large family; people live and work full of confidence and optimism, helping and leading one another as if all were blood-related. All are learning as much as they like to in accordance with their aspirations and needs; they enjoy a colorful cultural and moral life, bringing their wisdom and talents into full bloom. This is the true picture of our society which is being dyed in one color, the color of the unitary ideology, the chuche ideology, under the party leadership. Our reality is a powerful demonstration of the validity and vitality of the theory of our party, the theory that the socialist idology is a mighty weapon for nurturing the masses of people into independent personalities fully equipped with the independent ideological consciousness and creative ability.

The fact that the great leader [yongdoja] Comrade Kim Chong-il elucidated the ideology that the socialist ideology is a powerful weapon for bringing up the masses to be independent personalities is of great significance theoretically and practically.

The presentation of this ideology, first of all, was an ideological and theoretical in-depth demonstration of the fact that the indoctrination of people in the socialist ideology by the working-class party is in the interest of the people, that it shows the great love and solicitude of the party for the people. And it dealt a crushing blow to those imperialists and socialism's betrayers who denounced the ideological indoctrination work in the socialist society as "standardization" or "ideological infusion."

The ideology that the socialist ideology is a mighty weapon for nurturing the masses of people into independent personalities also serves as a banner of inspiration that enabled our party to thoroughly destroy the reactionary ideological offensives of imperialists and socialism's betrayers, and to further strengthen the socialist indoctrination work and bring the people to have firm confidenc in socialism and keep it engraved even more deeply on their hearts.

The full and in-depth elucidation by the great leader [yongdoja] Comrade Kim Chong-il of the superiority of socialist ideology is another ideological and theoretical contribution to the chuche socialist cause, and to the cause of independence of humanity.

Our people will arm themselves even more firmly with the socialist ideology with firm confidence in its superiority and, by doing so, press the chuche socialist cause on, through to the end to its completion.

DPRK: WPK 'Has Adhered Resolutely' to Revolutionary Principles

962C0029B Pyongyang NODONG SINMUN in Korean 20 Dec 95 p 3

[Article by Na Tong-chun: "Our Party Is a Great Party Resolutely Adhering to Revolutionary Principles"]

((FBIS Translated Text)) In his immortal work "The Workers Party of Korea [WPK] is the Great Leader Comrade Kim Il-song's Party," the great leader [yongdoja] Comrade Kim Chong-il elucidates that our party is a glorious party that has resolutely adhered to revolutionary principles in its entire course of leading the revolution and construction.

The great leader [yongdoja] Comrade Kim Chong-il pointed out as follows: "Our party has resolutely adhered to revolutionary principles and consistently implemented revolutionary lines and policies in leading the revolution and construction."

For the working-class party to steadfastly adhere to revolutionary principles in the revolution and construction is a matter of importance having bearing upon the fate of the revolution. Adherence to revolutionary principles means protecting and promoting the fundamental demands and interests of the working class and the masses of working people to the end. The revolution and construction is the struggle to promote the independent stand and attitude of the masses of people. The working-class party must steadfastly adhere to revolutionary principles in leading the revolution and construction. While the revolution and construction progresses, the environment and conditions of struggle constantly change and develop, and the situation also changes from time to time. The working-class party should know how to accelerate the revolution and construction with unceasing creation and innovation while resolutely adhering to revolutionary principles and how to cope with the changing situation positively and expeditiously. When the party sticks to outmoded theories and methods, failing to grasp the developing realities, it would tend to commit dogmatic and subjectivist mistakes; and by the same token, when it fails to cope positively with the prevailing situation at a given time, it would be unable to break through dire exigencies. On the other hand, when the party goes back on revolutionary principles, using the developing realities as an excuse, it would tend to commit revisionist and reformist mistakes, ending up ruining the revolution. The cause of socialism can advance triumphantly only under the judicious leadership of the working-class party which adheres steadfastly to revolutionary principles and which knows how to combine adherence to principles with creativity and resourcefulness.

Adherence to revolutionary principles in the fulfillment of the cause of socialism is guaranteed by the working-class party's infinite loyalty to this cause and its revolutionary creed and unerring revolutionary will whereas creativity and resourcefulness depend on the party's level of ideological-theoretical understanding as well as on its leadership ability. If the party is not resolute in ideological terms, it would be unable to steadfastly adhere to revolutionary principles; and likewise if the party is at a low level of ideological and theoretical understanding and leadership ability, it would be unable to bring its creativity and resourcefulness into play.

The respected and beloved leader Comrade Kim Il-song and the great leader [yongdoja] Comrade Kim Chong-il, with their infinite loyalty to the chuche cause of socialism, unshakable revolutionary creed and steely will, peelers ideological and theoretical acumen, and seasoned and tested leadership, led our party and people by example in the revolution and construction—by demonstrating brilliantly their leadership art of resolutely adhering to revolutionary principles and most skilfully combining adherence to principles with resourcefulness.

Under the seasoned and tested leadership of the great leader and the respected and beloved commander, our party held fast to revolutionary principles and revolutionary lines while accelerating the revolution and construction with unceasing creativity and innovation in conformity with the demands of the developing realities and while coping with the prevailing situation positively and resourcefully. The high degree of creativity and resourcefulness based on adherence to revolutionary principles, and the consistency in lines and policies—these are the important leadership principles, as well as the art of leadership, to which our party has held fast in the revolution and construction, and they are also the characteristics of our party's revolutionary lines and policies.

Out of concerns, above all, for the basic interests of the revolution, our party has held fast to revolutionary principles in the revolution and construction.

Thoroughly to support and promote the independent demands and interests of the masses of people is a fundamental principle that should be adhered to in the revolution and constructions. The environment and conditions of struggle may change while the revolution and construction progress, but there could be no change in the fundamental demand and stand of the working class and the masses determined to promote their independent stand and attitude. For the consummation of the cause of socialism, it is imperative to hold fast to the revolutionary principle of supporting and promoting the independent stand and attitude of the masses of people under whatever condition and environment.

Putting it forth as its supreme principle of activity to support the independent demands and interests of the masses, our party has advanced the revolution and construction in conformity with the demands and interests of the masses. Our party has been able to successfully wage the democratic revolution and the socialist revolution without any deviation and vicissitude, by carrying out social and economic reforms in full conformity with the demands and interests of the working class and the broad masses of working people and in accordance with the demands of the chuche ideology.

Our party continued to firmly adhere to the revolutionary principle of supporting and promoting the independent stand and attitude of the masses in socialist construction even after socialism was established.

To build socialism in conformity with the independent demands and basic interests of the masses, we have to strengthen the working-class party in organizational and ideological terms, firmly insure party leadership over the revolution and construction, ceaselessly enhance the function and role of the socialist government, and preserve and develop the socialist form of ownership, and wage a resolute struggle against imperialism. These are the revolutionary principles which we cannot yield at all in socialist construction.

In recent years, some of the countries formerly in the process of building socialism began to open the door to the winds of bourgeois liberalization under the pressure of the imperialists by yielding their revolutionary principles one after another. In these countries people neglected the work of strengthening their parties, weakened the leadership role of the party and the unitary leadership function of the state, accepted the capitalist form of ownership relations and the capitalist style of economic management, and randomly compromised with imperialism instead of struggling against it. These concessions culminated in the abandonment of the fundamental principles of revolution and the betrayal of the parties and their cause to the imperialists and the class enemies lock, stock, and barrel.

The imperialists and reactionaries also resorted to all kinds of ploy in an attempt to make our party break away from its revolutionary principles also. But our party refused to yield its revolutionary principles even an inch. Our party has augmented its militancy and leadership role in every possible way, constantly enhanced the function and role of the people's government, and resolutely defended and further developed the socialist form of ownership. It is due to this kind of unflagging adherence to revolutionary principles that our party has come to show its pride as a great party with such an invincible might that no enemy can dare to come near it—a glorious party that is going forward fulfilling the cause of socialism under the banner of revolution.

Moreover, our party has consistently implemented revolutionary lines and policies in the entire course of leading the revolution and construction.

In order for the working-class party to advance the revolution and construction on one straight road to victory, it is necessary to constantly adhere to revolutionary lines and policies.

With faith in chuche and with steely determination, our party has consistently implemented revolutionary and scientific lines and policies by reflecting the independent demands of the masses and the actual condition in our country.

The line of pursuing chuche in ideology, self-dependence in politics, self-support in economics, and self-reliance in national defense set forth by the great leader is a revolutionary and scientific line of self-dependence which mirrors the independent aspirations and demands of our people and which is based on an analysis of the environment in which our country is placed, as well as the historical characteristics of our revolution. Our party has consistently implemented this line by resolutely adhering to it.

Vigorously to wage three revolutions, ideological, technological, and cultural, while strengthening the people's government and enhancing its function and role is the general line on socialist construction uniquely set forth by our party. This line is a living example of ways to develop the revolutionary theory of the working class in a creative manner, in conformity with a new historical environment. In socialist construction, our party has consistently adhered to and implemented the general line of vigorously waging three revolutions while strengthening the people's government and enhancing its function and role.

Our people owe it to the sagacious leadership of our party—the party which has consistently implemented revolutionary lines, such as the revolutionary line of self-dependence, self-support, and self-reliance and the general line on socialist construction—that they were able to magnificently build our own form of socialism centered around the masses and win great victories in every aspect of the revolution and construction.

The process by which our party built socialism centered around the masses of people by resolutely adhering to and consistently implementing revolutionary lines was accompanied by acute confrontation and struggle with the imperialists. Amid the divided state of our land caused by foreign powers, ceaseless provocations for aggression and war by the imperialists, the whirlwinds of change in the international situation, and the collapse of socialism in a number of countries and the ever-intensifying anti-socialist, anti-DPRK machinations of the imperialists and reactionaries in its wake—amid these developments, our people had to push forward the revolution and construction while safeguarding the sovereign rights of the state and the security of our fatherland.

Our party broke through harsh exigencies and turned adversity into prosperity by using intelligent and resourceful strategies as the occasion demanded in each period and each stage of development in the revolution, on the basis of a correct analysis of the prevailing situation and the power equation between us and the enemy, and in this process honorably safeguarded the sovereign rights and dignity of our country and nation. Peace must be won not by means of begging the imperialists, but through principled struggle, and on matters concerning the dignity of the nation, there could be no concession—this is the unshakable position our party has steadfastly adhered to. From this principled position, our party did confront the enemy with added toughness when the situation became tenser and the enemy grew more arrogant, thereby driving him into the defensive by a marvelous strategy no one could ever have anticipated and resolutely safeguarding the security of the fatherland and the gains of the revolution. The adherence to revolutionary principles and the resourcefulness whereby our party defends the sovereign rights of the nation and the paramount interests of the republic by holding aloft the revolutionary banner of anti-imperialist struggle, manifested themselves all the more powerfully in the political and military confrontation with the allied imperialist forces in recent years. No wonder the progressive people in the world are joining in a chorus of praise for the WPK, saying that the WPK is the only party that is resolutely defending the dignity of the nation and the banner of socialism by squarely facing the only superpower in the world.

It is the rock-firm creed and determination of the respected and beloved commander Comrade Kim Chong-il to bring the chuche cause of revolution to consummation by holding the banner of revolution high. Our party and people will carry on the chuche cause of socialism from generation to generation through to brilliant consummation by resolutely adhering to revolutionary principles and by following the sagacious leadership of the respected and beloved commander Comrade Kim Chong-il.

DPRK: Leadership of Kim Chong-il as Supreme Commander Lauded

962C0031A Pyongyang NODONG SINMUN in Korean 26 Dec 95 p 2

[Editorial: "The Cause of Our Revolution Advancing Under the Leadership of the Supreme Commander Is Invincible"]

[FBIS Translated Text]Today, at this historic juncture when our all-out advance toward building our own way of socialism is vigorously accelerating, we mark, in a significant way, the fourth anniversary of the day the great leader [yongdoja] Comrade Kim Chong-il assumed his post as supreme commander of the Korean People's Army [KPA]..

On this occasion all of our party members, KAP officers and men, and people are immersed in an immense sense of pride and self-confidence, brimming with a firm determination to doggedly walk the long road of revolution by following the leadership of respected and beloved Comrade Kim Chong-il as they savor their fortune in having a succession of such outstanding commanders from one generation after another.

It was a historic event of great significance in overall fulfillment of the cause of our revolution that 4 years ago today respected and beloved Comrade Kim Chong-il ascended to his post as KPA supreme commander. In our revolution the supreme commander of the revolutionary armed force is, at the same time, the supreme commander in overall control of the cause of our revolution. Our revolutionary cause can be preserved airtight and brought to consummation only by an iron-willed commander endowed with both civilian and military competence and in command of our revolutionary armed force.

The assumption of the post of supreme commander by the great leader [yongdoja] Comrade Kim Chong-il, a military genius, paved the way for the cause of our chuche-oriented socialism to advance straight along the one road of victory pioneered early on in the Paekdu forests. With respected and beloved Comrade Kim Chong-il as supreme commander, the combat morale of our KPA heightened beyond comparison, enabling our revolutionary armed force to fulfill its mission and duty with flying colors as the leader's fighting force and the party's fighting force. Never was there any event more important than this in exploring the road ahead for our revolution and securing the inheritability of the chuche cause.

Seeing that the Korean revolution continued to advance along the one road of victory even after the fatherly leader passed away, we feel all the more keenly in the depth of our hearts how important it is for the future of our revolution that we have respected and beloved Comrade Kim Chong-il as our supreme commander.

These 4 years since the great leader [yongdoja] Comrade Kim Chong-il became the KPA supreme commander have been a course of victory and glory in which we made gigantic strides in the fulfillment of the cause of our revolution.

In this course epochal changes took place day after day in our efforts to build up our revolutionary fighting force. The KPA became brimming with the revolutionary ethos of upholding the respected and beloved supreme commander's leadership and executing his orders unconditionally and thoroughly, without even an inch of deviation. On the other hand, the combat capability of our KPA has augmented unprecedentedly so that it may defend our territorial land, air space, and waters like the apple of the eye against any invasion by the enemy.

At no time in history was the political, ideological, and military power of our KPA strengthened so much as we see it today, when we have respected and beloved Comrade Kim Chong-il as the supreme commander of our revolutionary force. Strengthening the revolutionary fighting force and advancing the cause of socialism and accelerating socialist construction at the same time, with a firm grip on this force, is a basic characteristic of Comrade Kim Chong-il's great leadership.

We owe it to respected and beloved Comrade Kim Chong-il's leadership that we have been able to win brilliant victories in overall socialist construction as well as in building our military force.

In the militant course of these past 4 years, our people's revolutionary ethos has changed beyond recognition, and the wholehearted unity of our society has strengthened as never before. Protecting Comrade Kim Chong-il, our eternal supreme commander, with their lives and remaining loyal to him to the end—this is the noble ethos of our people. Our undertakings in all sectors, political, economic, and cultural, are progressing successfully as the entire party, the whole army, and all the people launch in unison into the struggle to materialize the grand vision of socialist construction presented by respected and beloved Comrade Kim Chong-il.

We firmly put in place a political-ideological, economic, and military guarantee for safeguarding our cause of socialism to the end under any circumstance, and this has been our greatest victory and major accomplishment in the revolutionary struggle of these past 4 years.

All victories and successes we achieved in the revolution and construction in the last period distinctively highlight the greatness of respected and beloved Comrade Kim Chong-il, our supreme commander, who has been leading our efforts for military force buildup and socialist construction along the one ever-victorious road.

The great leader Comrade Kim Il-song taught us as follows: "...You can rarely find a leader of the people who is endowed with a combination of civilian and military competence and loyalty and filial devotion like Comrade Kim Chong-il."

Having matchless wisdom as a genius of creation and construction and military wisdom as an outstanding commander at the same time is a great leadership feature of respected and beloved Comrade Kim Chong-il.

The great leader [yongdoja] Comrade Kim Chong-il would explore the road of victory lying ahead by always examining the prevailing environment and subjective and objective conditions with penetrating insights, and come up with the kind of scientific line and strategy that no one could ever have anticipated, when he was leading the way in a fierce political and military confrontation with the enemy or when he was leading Herculean socialist construction.

It is because he is endowed with this natural gift that the respected and beloved supreme commander Comrade Kim Chong-il's ideological and theoretical wisdom consists in clairvoyance capable of brightly illuminating the road ahead for humanity even when the overall socialist cause is going through trying ordeals, whereas his military wisdom consists in his amazingly keen insight which always enables him to defeat any strategy or tactics of the enemy and assures tactical and strategic advantage. It is also because he is endowed with this natural gift that the respected and beloved supreme commander has been able to publish immortal classics one after another, such as "Socialism Is Science," "Giving Priority to Ideological Work Is an Essential Requirement in the Fulfillment of the Cause of Socialism," and "The Workers Party of Korea Is the Great Leader Comrade Kim Il-song's Party," illuminating the dazzling road ahead for our revolution, and also able to crush the anti-socialist machinations of the imperialists at each step. People in our time find a model of "commander-type leadership" in the uncommon ethos of the respected and beloved supreme commander.

Endowed with a refined leadership art as a great politician as well as an outstanding art of command as a peerless military strategist, the respected and beloved supreme commander Comrade Kim Chong-il is leading the party, the military, and the people along the one ever-victorious road, and this is a salient leadership feature of the respected and beloved supreme commander Comrade Kim Chong-il.

A socialist political leader in our time is required to have both a leadership ability to organize and mobilize the party and the people in the revolution and the art of command capable of commanding the three branches of the armed forces.

Throughout the entire period of the revolution and construction until now, the great leader [yongdoja] Comrade Kim Chong-il, with his uncommon ability to organize and deploy people and material, has always led the whole party and all the people unerringly to the struggle to attain the grand goals of socialist construction. The greatness of the respected and beloved supreme commander Comrade Kim Chong-il's leadership art, which people the world over call the acme of revolutionary leadership art, has manifested itself to the fullest in fulfilling the cause of building our military force under the slogan calling for the conversion of the whole army to the chuche ideology.

The respected and beloved supreme commander Comrade Kim Chong-il's art of command is a strong power that is boosting the combat morale of our soldiers hundredfold, and it is the fountainhead of what makes the whole army move as one under one and the same military command.

It is because the respected and beloved supreme commander has been leading the military and the people with his outstanding art of command that our army has grown into an awesome invincible force capable of winning every battle it wages and our people have become a great people producing exploit after exploit under the red banner of the revolution. No enemy, however strong, can defeat such army and such people who know nothing but victory.

It is one of the noble features of the respected and beloved supreme commander Comrade Kim Chong-il to lead all of our people and KWP officers and men along the one road of worthy life and struggle with his warm love for them.

In our country the relationships between the supreme commander and the soldiers and between the leader and the people are one between the teacher and his followers connected to each other by the ties of love, trust, loyalty, and filial devotion.

The respected and beloved Comrade Kim Chong-il would always go among the people and KPA personnel, sharing joys and sorrows with them, to raise all of them into revolutionary fighters boundlessly loyal to the cause of the party. From the outset of the New Year, he visited KPA units bestowing warm love and solicitude on our soldiers guarding the military posts of the country. Owing to this leadership of respected and beloved Comrade Kim Chong-il, the harmonious unity between the supreme commander and the fighters has reached a still loftier plane.

Today respected and beloved Comrade Kim Chong-il is being highly admired as a great commander and a great man having a warm human touch and emotion. It is none other than the respected and beloved supreme commander who looks after the fate and future of each of our KPA personnel to the end in a responsible manner; it is also none other than the respected and beloved supreme commander who loves revolutionary songs and always brims with romanticism even while leading a fierce face-off with the enemy; it is none other than our Comrade Kim Chong-il who would rush to revolutionary fighters as if in one breath by traveling, if necessary, hundreds of miles. Magnetized by this humane ethos, the entire party, the whole army, and all our people are banding closely together around the leader [yongdoja].

It is the greatest happiness and honor for our people to have as the eternal supreme commander of our revolution respected and beloved Comrade Kim Chong-il, who is leading the party, the people, and the KPA, at the head of them with his outstanding abilities and qualities and great ethos.

Today we are confronted with he weighty and honorable task to resolutely protect and defend our way of socialism and carry the cause of chuche-oriented revolution through to the end by rallying in one mind around the respected and beloved supreme commander Comrade Kim Chong-il.

The imperialists and reactionaries are directing the arrowheads of attack at our country—which is marching forward holding the banner of socialism high—and stepping up their provocative machinations to touch off a war of aggression. The current situation demands that we vigorously accelerate socialist construction by solidifying the power of the leading force of our revolution and strengthening the KPA more than ever before.

All of our party members, KPA officers and men, and people must uphold respected and beloved Comrade Kim Chong-il as their eternal supreme commander and stand ready to die to protect him.

The great leader [yongdoja] Comrade Kim Chong-il is the great strategist and ever-victorious iron-willed commander leading our party, revolution, and people's armed force along the one road of victory with his uncanny wisdom, outstanding leadership ability, and matchless prowess and iron will power. It is because respected and beloved Comrade Kim Chong-il is there that we have our destiny in our own hands, a bright future for our country and nation, and an assurance for ultimate victory for the cause of our chuche-oriented revolution.

Respected and beloved Comrade Kim Chong-il is our present supreme commander and will remain so tomorrow and beyond. This is an unshakable faith of our people and our KPA officers and men, and it will remain a solemn truth as long as the revolution continues and we have our revolutionary armed force.

We must continue to loftily uphold the thought and leadership of Comrade Kim Chong-il, keeping in mind that we have today's proud reality under the fluttering red flag of the revolution and a bright future for the Korean revolution because there is Comrade Kim Chong-il. All of our party members, KPA officers and men, and people must become true revolutionary fighters staunchly walking the long road of the revolution, with an iron will and the firm conviction that as long as great Comrade Kim Chong-il is there we are sure to win.

The entire party, the whole army, and all the people must uphold the respected and beloved supreme commander Comrade Kim Chong-il with the spirit of risking one's life to protect and defend him with one's own life. This spirit, which our revolutionary fighters must have, is the spirit of all becoming human bombs to protect and defend the great leader [yongdoja] Comrade Kim Chong-il in political-ideological terms with their lives, wherever and whenever, and it is the indomitable revolutionary spirit of sharing the same idea and the same fate forever with him. We must actively learn from the lofty ideological and mental world of the late anti-Japanese revolutionary fighters who guarded the headquarters of the revolution in the Paekdu forests with their lives. All of our party members, KPA officers and men, and people, wherever they may work on whatever task, must resolutely protect and defend the respected and beloved supreme commander Comrade Kim Chong-il—who is having the prestige of our party and the dignity of the fatherland of chuche felt throughout the world—and make his authority absolute and certain in every possible way.

Consolidating national defenses airtight affords a solid guarantee for protecting and preserving our way of socialism and carrying the cause of chuche-oriented revolution through to consummation.

By following the respected and beloved supreme commander Comrade Kim Chong-il's leadership, the entire party, the whole army, and all the people must vigorously launch into the task to consolidate national defenses airtight and thoroughly implement the party's military line whose basic content is to convert the entire army into a cadre force, modernize the entire army, place all the people under arms, and turn the whole country into a fortress.

The KPA is the basic component of our revolutionary armed force and the main force in carrying the cause of our chuche-oriented revolution through to consummation. With a firm faith in the KPA, our party is vigorously pushing forward the revolution and construction without the slightest deviation, even under the arduous, complex circumstances. All KAP officers and men must unceasingly glorify the honor and prestige of the KPA as the leader's army, the party's army, and the people's army with the respected and beloved Comrade Kim Chong-il as its supreme commander, by boosting their combat capability in every possible way with a profound sense of responsibility for their historic duty by the leader and the party.

Our KPA has a political-ideological power greater than the power of any modern weaponry. KPA units must vigorously conduct political- ideological indoctrination work among the soldiers to turn their officers and men into a human fortress and a human shield so that they may protect the leader and the party and defend the cause of our revolution with their guns. KPA officers and men must strive to enhance the revolutionary ethos of executing orders of the respected and beloved supreme commander unconditionally to the end and make the whole army brim with the revolutionary military ethos of moving as one under his orders.

Training holds the key to a one-a-match-for-100 fighting force. KPA personnel must arm themselves airtight with our party's military strategy and chuche-based tactics and thoroughly implement the party's five-point training policy in order to turn the KPA into an invincible, ever-victorious formidable army.

We must defend our territorial land, air space, and waters airtight by boosting the political-military strength of the KPA in every possible way.

Boosting the nation's defense capability is a task for the entire party and all the people to undertake. We must establish the ethos of attaching importance to military affairs throughout our whole society and continue to consolidate our nationwide all people's defense system. At the same time, we must strengthen the kindred ties between the military and the people in every possible way by bringing the traditional fine ethos of military-civilian unity into fool bloom.

An important task confronting us today in implementing the cause of socialism following the leadership of our respected and beloved supreme commander is that of accelerating socialist economic construction.

Vigorously pushing forward socialist economic construction is an important issue in stalwartly defending our way of socialism which we have advanced by going through all kinds of ordeals. We must step forward with extraordinary resolve and determination to bring about a revolutionary turnaround in the implementation of the party's revolutionary economic strategy. All sectors and all units must, by giving full play to the revolutionary spirit of self-reliance and fortitude, accomplish their economic assignments from wire to wire by under their own steam and under their own responsibility. Particularly, leading economic functionaries must map out proper strategies, frame economic organizational work in a substantive way, and command production in a responsible manner, with an intense revolutionary spirit and a high degree of militancy.

More immediately, they must brilliantly sum up this year's fighting and make fool-proof preparation so that they may bring about another upturn in production and construction next year.

That we have the iron-willed commander, the peerless great man, as our supreme commander is the greatest fortune and the highest honor for our people and our people's army.

As long as the respected and beloved Comrade Kim Chong-il is there, we have nothing to fear, and there is nothing we cannot accomplish.

Only victory and glory will shine on the road ahead for our KPA and people who are vigorously fighting by following the leadership of the respected and beloved supreme commander Comrade Kim Chong-il.

South Korea

ROK: U.S. Military Commander Cited on DPRK Situation

SK1903004896 (Internet) The Digital Chosun Ilbo WWW in English 1253 GMT 18 Mar 96

[Editorial: "Preparing for Invasion-Style Collapse"]

[FBIS Transcribed Text] Gen. Gary Luck, the Commander of U.S. Forces in Korea, told Congress that the collapse of North Korea was not a question of if, but when. What concerns us most is whether it will be an implosion or explosion. Others, including the U.S. CIA, in the past have made similar comments concerning the North Korea situation but Luck's position makes him more persuasive.

Our government, however, seems to think that North Korea will not disintegrate that easily. It is not clear in these discussions whether the collapse will be of the country, the system, the regime or of Kim Chong-il himself. At any rate our government views the North's food shortage and serious economic problem as not bad enough to bring about destruction. The government's round-about estimation as to why Kim Chong-il has not formally acceded is that their appears not to have been any need to do so. Also, the opinion of Kim's health is, while not good, it is not bad enough to prevent his management of the regime.

Gen. Luck is concerned that North Korea, having two options, will choose the one that worries us most, attacking the South. This is not merely an attempt to introduce interceptor missiles into Korea. Our interpretation of Gen. Luck's testimony, however conservative it might be, should serve as a wake-up call to North Korea's unpredictable behavior.

There is no question that North Korea's military is superior to ours. Evidence shows that North Korea has strengthened its position following the demise of Kim Il-song. The North Korean Army will be the last entity to collapse should there be system failure. It is hard to imagine such a strong power siting back waiting for its last breath.

Recently, in our society there has been talk of how to handle a mass migration of refugees from the North. How we are able to handle the North Korean Army in the event of a collapse is the more important concern.

There are too many questions concerning North Korea. All political parties, approaching the up-coming election, have put forward their unification policies, usually involving appeasement that no one can reject. However, how can we accept a theory that is not based on solid information regarding North Korea's reality and intent?

We should maintain a strong power with ability to suppress any provocation by a desperate North Korea if a collapse looks imminent. The post-Cold War era does not exist on the peninsula.

ROK: U.S., ROK Officials on U.S. Envoy's Pyongyang Visit

SK1903022396 Seoul CHUNGANG ILBO in Korean 16 Mar 96 p 1

[By reporter Choe Won-ki]

[FBIS Translated Text] It has been confirmed that Spencer Richardson (58), who has been designated as the head of a U.S. liaison office to be set up in Pyongyang, went to North Korea via Beijing on 29 February and has remained there for over two weeks. Despite the denial by ROK Government and U.S. Embassy officials, some view Mr. Richardson's visit as an on-the-spot survey by the designated head of the liaison office prior to its opening.

So Tae-won, spokesman of the Foreign Ministry, and a well-informed source from the U.S. Embassy revealed: "The purpose of his visit is to make preparations to safely handle the transfer of 8,000 spent fuel rods taken from a North Korean 5 megawatt-class nuclear reactor, outside North Korea. Three officials of the International Atomic Energy Agency and ten U.S. technicians will continue this work from mid-March to July."

They also said: "Mr. Richardson's visit to North Korea is a political issue. It has nothing to do with holding contacts with North Korea or the opening of the DPRK-U.S. liaison offices. He is in North Korea to relieve Ken Quinones, U.S. State Department Intelligence and Research analyst, who visited North Korea from early last month. His activities are currently limited to Yongbyon."

A U.S. Embassy official added that "If North Korea brings up the issue of the liaison office first, Mr. Richardson may be willing to listen," and did not eliminate the possibility of holding DPRK-U.S. consultations regarding the opening of the liaison office. This official also stated: "Mr. Richardson will soon return to Seoul."

In accordance with the DPRK-U.S. Geneva agreement in October 1994, Mr. Richardson was designated the first head of the liaison office to Pyongyang, but following North Korea's negative attitude regarding the early opening of a liaison office, he has remained in waiting in Seoul for the past year.

ROK: KEDO To Commission KEPCO as LWR Project's Main Contractor

SK1903062896 Seoul YONHAP in English 0543 GMT 19 Mar 96

[FBIS Transcribed Text] New York, March 19 (YONHAP) — The Korean Peninsula Energy Development Organization (KEDO) decided Tuesday to commission the Korea Electric Power Corp. (KEPCO) as its prime contractor for the light-water reactor [LWR] project in North Korea.

The decision, made in a meeting of the organization's executive board comprising South Korea, the United States and Japan, will enable KEPCO to take charge of the actual construction of the light- water reactor in North Korea.

The board members also agreed to hold negotiations with North Korea next month to conclude a follow-up protocol of the already- signed light-water reactor supply accord.

The South Korean delegation was headed by Chang Sun-sop, administrator of the Office of Planning for Light-water Reactor Project. The U.S. delegation was led by Amb. Paul Cleveland and the Japanese delegation by Amb. Hiromoto Seki.

It was the first executive board meeting since all three countries appointed new executive board members.

The meeting also addressed the financing of heavy oil shipments to the North and the admission of the European Union to the KEDO executive board. They decided to discuss in detail the EU's membership after it formally promised continued financial support for KEDO.

KEDO and the KEPCO will have a formal signing ceremony for designating a prime contractor Wednesday afternoon at Helmsley Hotel here.

ROK Government Not To Admit DRPK Felons Into South Korea

SK1903053496 Seoul YONHAP in English 0443 GMT 19 Mar 96

[FBIS Transcribed Text] Seoul, March 19 (YONHAP) — The South Korean Government is not going to allow North Korean felons into the country.

"The humanitarian policy of admitting as many of the North Koreans who have fled to third countries and wish to come here as possible, will remain unchanged. But felons, including hijackers, drug traffickers, terrorists, murderers and robbers will not be admitted," a National Unification Ministry official said Tuesday.

There are, however, exceptions to this policy. North Koreans wishing to enter the country for political reasons, or individuals guilty of misdemeanors and those who committed crimes under extenuating circumstances will be exempt from the rule, according to the official.

The government is also considering ways to expand the eligibility requirements for North Korean escapees, so that even some felons can be admitted. The possibilities include resettlement in the South after being punished for crimes that they have confessed to.

These guidelines will be reflected in the revision of regulations concerning defectors from the North that is being planned by the Foreign Ministry, according to the official.

ROK: German Company Plans Major Exhibition in DPRK 22-26 Oct

SK1903041996 Seoul THE KOREA TIMES in English 19 Mar 96 p 8

[FBIS Transcribed Text] Germany's exhibition-specializing company, International Messe-und Musstellungsdienst [IMAG], plans to hold a major international exhibition in Pyongyang, North Korea Oct. 22-26.

The German company is recruiting industries to participate in the exhibition in foreign nations and in Germany while mobilizing its overseas organizational network in the United States, Canada and Asian nations, the Korea Trade-Investment Promotion Agency (KOTRA) said yesterday.

North Korea-related organizations in the nation, in particular, have engaged in brisk activities to encourage German firms to take part in the exhibition, KOTRA's North Korean Bureau said.

IMAG explained that any company will profit if they advance into the nation ahead of others as the North is not recognized by the outside world yet, according to the KOTRA bureau.

The company cited the agreement between the two nations for some 100 million dollars in annual trade as a factor showing bright prospects for the bilateral economic exchange.

The industrial fields the IMAG is concentrating on recruiting include machinery, electronics, precision engineering and optical engineering, construction, chemistry, transportation and services.

ROK: Government Considering Demanding 'Comfort Women' Compensation

SK1803110996 Seoul YONHAP in English
0810 GMT 18 Mar 96

[FBIS Transcribed Text] Seoul, March 18 (YONHAP) — South Korea is considering demanding that Japan pay compensation to former "comfort women" who were forced to serve as sex slaves at Japanese Army "comfort stations" during and before World War II, a Foreign Ministry official said Monday.

The change in the government's position came after a series of reports by the United Nations special rapporteur on violence against women and the International Labor Organization (ILO), which concluded that Tokyo is responsible for compensate surviving comfort women.

The comfort women issue will be discussed at an annual meeting of the UN Commission on Human Rights in Geneva, Switzerland, the official said. The meeting started Monday and will last for six weeks.

During the meeting, the adoption of a resolution calling for government-level compensation by Japan for the comfort women is a possibility, the official said.

The official, however, fell short of saying whether Seoul will initiate the resolution.

Japan has established a civilian organization to fund compensation of surviving comfort women, drawing criticism that it is trying to evade legal responsibility for the former sex slaves.

Seoul's position on the comfort women issue has been that it will not formally ask for Japanese Government's compensation but support efforts by the victims themselves and their advocates to seek compensation.

UN special rapporteur Radhika Koomaraswamy, in her report written in early February, held Tokyo responsible for the exploitation of such women during and before World War II, urging along with the ILO that Japan pay compensation.

Other issues to be discussed at the meeting, the 52nd of its kind, include the human rights situations in member countries of the commission, racial discrimination, and the rights of children and prisoners.

ROK, Egypt Agree To Increase Trade, Investment to $1 Billion

SK180311[illegible]96 Seoul YONHAP in English
0929 GMT 18 Mar 96

[FBIS Transcribed Text] Seoul, March 18 (YONHAP) — South Korea and Egypt agreed Monday to make efforts to increase bilateral trade volume and investment up to 1 billion U.S. dollars respectively within a few years, a Foreign Ministry official said.

"Foreign Minister Kong and Kong's Egyptian counterpart Amre Moussa agreed to foster an atmosphere in which trade volume and investment could be increased to up to 1 billion U.S. dollars within two or three years," said Director General Kim Myong-pae, [of] the ministry's West Asia and African Affairs Bureau.

South Korea exported 470 million dollars worth of products to Egypt and imported 115 million dollars worth of goods last year.

Emerging from the Kong-Moussa meeting, Kim said that the two ministers also agreed to enhance their cooperation in anti-terrorism and other fields in the United Nations Security Council (UNSC). The two countries are both non-standing members of the UNSC.

Expressing satisfaction with the increased bilateral relations since the two countries' diplomatic normalization in April last year, Kong and Moussa agreed to support each other's candidate for competition to get elected as members of the Sub-commission on Prevention of Discrimination and Protection of Minorities which is affiliated with the United Nations Commission on Human Rights.

Moussa meanwhile expressed his country's support for a South Korean candidate to become a member of the United Nations Economic and Social Council.

Kong in the meantime expressed his thanks for Egyptian President Husni Mubarak's efforts to maintain peace in the Middle East especially after the recent series of terrorist bomb attacks in Israel.

They also agreed that the state heads of the two countries will be able to visit each other's capital at an opportune time, according to Kim.

Before holding a meeting at the Foreign Ministry, the two ministers signed agreements on investment guarantee, promotion of trade, mutual exemption of visas for diplomats and officials and establishment of a high level policy consultation forum.

Moussa will deliver Egyptian President Husni Mubarak's personal letter to President Kim Yong-sam Tuesday when he pays a courtesy call on Kim at the presidential office of Chongwadae [presidential offices], Kim said.

He will give a press conference at the Hotel Hyatt in downtown Seoul at 11:30 am before leaving Seoul Tuesday afternoon.

ROK Plans To Help Vietnam Establish Stock Exchange

SK1903073496 Seoul YONHAP in English 0708 GMT 19 Mar 96

[FBIS Transcribed Text] Seoul, March 19 (YONHAP) — South Korea and Vietnam signed a record of discussion Monday on Seoul assisting the establishment of a stock exchange in the Southeast Asian nation, Foreign Ministry spokesman So Tae-won said Tuesday.

South Korean Ambassador to Vietnam Kim Pong-kyu and Chairman Le Van Chau of Vietnam's Preparatory Securities Commission signed the record of discussion in the Vietnamese capital of Ho Chi Minh city.

The Korea International Cooperation Agency (KOICA) will take charge of the project in cooperation with the Korea Stock Exchange.

KOICA will provide 800,000 U.S. dollars to the communist nation for projects to establish a computerized system for Vietnam's stock exchange, train its staff, and operate a mock stock exchange.

ROK Ministry Drafts Measures To Limit Forex Liberalization

SK1903094696 (Internet) The Digital Chosun Ilbo WWW in English 1256 GMT 17 Mar 96

[FBIS Transcribed Text] The government is preparing steps to cope with hot money as a result of the drastically liberalized foreign exchange trading system. A supplementary system such [as a] VDR (variable deposit requirement) will be introduced for investors looking for higher interest rates.

According to the revision plan for Foreign Exchange Regulation prepared by the Finance and Economic Board on Monday, investment dealings will be fundamentally liberalized with the addition of several supplementary measures, an emergency freeze to prevent the outflow of funds in case of war or civil war and the VDR, a requirement to deposit a part of capital from abroad in low or non-interest bearing accounts to control the influx of foreign capital.

ROK Finance, Trade Ministries Disagree on Lifting Import Ban

SK1903045996 Seoul THE KOREA TIMES in English 19 Mar 96 p 9

[FBIS Transcribed Text] The government is moving toward scrapping the import diversification program which is designed to curb imports mostly from Japan, ahead of entry to the Organization for Economic Cooperation and Development (OECD), possibly this year.

But despite general agreement, the two ministries involved — the Ministry of Finance and Economy (MOFE) and the Ministry of Trade, Industry and Energy (MOTIE) — have adopted different positions on the way the program should be phased out.

MOFE has strongly urged MOTIE to eliminate the list of products banned from Japan, "in a swift way." However, MOTIE said it will stick to the original plan of eliminating the number of Japanese brands whose import is banned on a "step-by-step basis."

MOFE said the import diversification program is out of tune with the World Trade Organization system. It protects local producers from competition which would accelerate productivity enhancement. It keeps the prices of local industrial brands artificially high and it is harmful to the nation's price stability policy.

MOFE, which is preoccupied with lowering inflation to the maximum extent, is urging MOTIE to exclude Japanese brands, especially consumer goods, from the import diversification Program.

But MOTIE said MOFE is too hastily seeking to eliminate the program, saying that if scrapped, it will widen the nation's chronic trade deficit with Japan. Last year, Korea posted a trade deficit of 15.5 billion dollars in its trade with Japan, larger than the nation's global trade deficit of 10.2 billion dollars.

MOTIE said a hasty scrapping of the system will threaten the domestic industrial base and delay the transfer of Japanese technology to Korea. MOTIE said by 1998, the number of products whose import from Japan is prohibited will fall to 130, down from the 258 in 1993.

The two ministries will adjust their differences over the plan after reviewing a proposal to be made by the Korea Institute for International Economics and Technology (KIET) next week. But the OECD has officially asked Seoul to phase out the ban.

ROK: IMF President To Support Expansion of ROK Stake in IMF

SK1703103296 Seoul YONHAP in English 0921 GMT 17 Mar 96

[FBIS Transcribed Text] Kyoto, March 17 (YONHAP) — President of the International Monetary Fund (IMF) Jean-Michel Camdessus has expressed active supports for South Korea's efforts to expand its stake in the IMF.

Camdessus' remarks came when he met with South Korean Vice Prime Minister-Finance and Economy Minister Na Ung-pae Sunday at the third Asia-Pacific Economic Cooperation (APEC) finance ministers' meeting held here.

Na pointed out that South Korea's current 0.05-percent stake in the IMF is too much low in consideration of the nation's international competitiveness, and asked the IMF leader to support the nation to make special capital increase.

Responding to Na's request, Camdessus is known to have promised his active support for Seoul's stance, while saying chances are high that South Korea's special capital increase comes true.

In the meantime, the country has tried to increase its stake in the IMF thus far, but to no avail because of conflicting interests with the advanced nations.

ROK Ministry Approves Release of $150,000 for WHOWPRO Projects

SK1903055396 Seoul YONHAP in English 0241 GMT 19 Mar 96

[FBIS Transcribed Text] Seoul, March 19 (YONHAP) — The Foreign Ministry approved the release of 150,000 U.S. dollars Tuesday to assist the World Health Organization West Pacific Regional Office (WHOWPRO) with its projects to fight malaria, cataract and polio in Laos and several West Pacific island states.

South Korea committed 150,000 dollars to the projects last December when it signed an agreement with the office.

The agreement stipulates that the regional office would present a detailed proposal to the South Korean Government within several months of the signing, so that the Seoul government could approve the release of the funds.

The projects include the delivering of medical supplies and equipment to Laos where 17,600 people are suffering from cataract and the Solomon Islands where malaria is spreading.

ROK: FTC Chairman Pledges Customer-Oriented Administration

SK1903060196 Seoul THE KOREA TIMES in English 19 Mar 96 p 9

[Report by staff reporter Yi Chang-sop]

[FBIS Transcribed Text] The head of the Fair Trade Commission (FTC) said yesterday that the FTC will pursue a customer-oriented administration.

FTC's Chairman Kim In-ho said the FTC will make its rules more transparent and fair, to eliminate any room for complaint from the public and the corporate sector and wipe out any possibility of corruption.

Efforts will also be made to promote specialization, objectivity and professionalism in the FTC's activity and studies will be made of ways of expanding the industrial and economic sectors subject to the Fair Trade Act, Kim said.

He unveiled a set of reform measures aimed at restoring public confidence in the commission, whose image was seriously tarnished following the arrest last week of a high-ranking official on bribery charges.

Kim said the FTC will strengthen internal audits to improve its operation, committee personnel transfers will be made regularly and codes of ethics will be chartered.

Different units of the FTC will process petitions or complaints when complainants are dissatisfied with FTC decisions and ask for reviews, he said.

To solve minor and uncontested cases quickly, the commission will study ways of appointing personnel who will be given the right to make autonomous decisions. Kim said the commission panel, which is the FTC's highest decision-making body, is unable to pass judgement on all the issues which come before it very quickly. He said to help FTC panel members make more professional rulings, the commission will study ways of appointing "advisors."

He said he greatly regrets the targeting of the FTC for public criticism in connection with the bribery charge against a former official, adding that the FTC needs to maintain the highest ethical standards in view of its duties and its mission. Kim said like the other government ministries and organizations, the commission will push customer-focused administration.

In a brainstorming session with all his deputies Saturday [16 March], Kim asked them to repent for possible high-handed and authoritarian contacts with private citizens. He also questioned whether FTC personnel had been "fair" in handling probes into alleged restrictions of competition and fair trading.

ROK: Chon Claims Army HQ Generals Rebelled 1st in 1979

SK1803141096 Seoul YONHAP in English 1219 GMT 18 Mar 96

[FBIS Transcribed Text] Seoul, March 18 (YONHAP) — Former president Chon Tu-hwan, now on trial for his leading role in the December 12, 1979 coup, claimed on Monday he and his colleagues had to mobilize troops because some army generals made rebellious acts first.

"Mobilization of some troops was unavoidable in the face of rebellious acts committed by Capital Garrison Commander Chang Tae-wan and some others," Chon said at the second session of the trial of him and 12 others accused of playing leading roles in the Dec. 12 and May 18 incidents.

He contended that Maj. Gen. Chang Tae-wan ordered his men to kill him and shell the Kyongbok Palace area of Seoul indiscriminately to "jeopardize national security."

At the trial opened at 10 am at the Seoul District Court, the prosecution questioned Chon and two of his coup colleagues, Yu Hak-song, then deputy defense minister for logistics, and Hwang Yong-si, First Corps commander.

No Tae-u, another former president and co-defendant, was questioned at the first trial session last Monday.

Asked if he lured Special Warfare Forces Commander Chong Pyong-chu, Capital Garrison Commander Chang and another key general away from their duty sites to a lavish dinner at that crucial evening, Chon said the dinner was a pure coincidence and never planned as a means of keeping the generals from commanding their units readily.

At one point, Chon conceded that he ordered Ho Sam-su, one of the staff officers of the Defense Security Command he headed, to arrest Army Chief of Staff Gen. Chong Sung-hwa with or without any approval from the president.

He said his colleagues' meeting held at the 30th security group located in the Kyongbok Palace at that night was called by himself, and most of the invitees attended it without any advance knowledge of the action he was to stage that night.

"I chose the 30th Security Group as the meeting place because any meeting elsewhere could have been detected by the army chief of staff," Chon said.

He contended that if Chang Tae-wan's men had actually shelled the Kyongbok Palace area to kill him and his colleagues, the adjacent area including Chongwadae [presidential offices] must have been destroyed, a critical development which Chon said North Korea might have surely used in unleashing a major provocative action against the South.

"Here, in the capacity of defense security commander with the duty of protecting the president and safeguarding the nation from any aggression from the North, I called on my colleagues to mobilize troops," Chon said.

Answering prosecution questions, Yu Hak-song and Hwang Yong-si said they obtained a presidential post-approval of the arrest of Army Chief of Staff and Martial Law Commander Gen. Chong.

They also asserted that the Kyongbok Palace meeting at that night was a mere goodwill gathering among some generals.

At the third trial session next Monday, the prosecution is to question the nine remaining co-defendants, which will be followed by another round of prosecution questioning of former presidents Chon and No about their roles in the expansion of martial law on May 17, 1980, an act that precipitated the bloody Kwangju uprising.

ROK: Opposition Wants Chon-No Graft Trial Postponed

SK1903085296 Seoul YONHAP in English 0747 GMT 19 Mar 96

[FBIS Transcribed Text] Seoul, March 19 (YONHAP) — Two opposition parties have demanded that court trials of former presidents Chon Tu-hwan and No Tae-u on graft, mutiny and treason charges be put off until after the April 11 general elections so that it may not affect the polls.

The conservative opposition United Liberal Democrats (ULD) requested Tuesday that the Central Election Management Commission (CEMC) persuade the court into rescheduling the trials.

"The trial (of Dec. 11 and May 18 incidents) leaves room for misunderstanding over its timing as it is being held in parallel with election campaigns," said Yi Dong-bok, the spokesman for the party's election campaign committee.

"We hope that the CEMC will negotiate with the court authorities to get rescheduled the trial with a view to guaranteeing a fair election atmosphere," he said.

He, however, indirectly called on the court to tackle the No Tae-u slush money scandal before the polls.

"The treason trial would not have a satisfactory conclusion unless a thorough probe into the 1992 presidential election campaign funds was made," Yi said, adding that it was "inappropriate" to put off the probe until after the polls were over.

He was referring to press reports that the graft trial involving No might be delayed until after the polls.

On Monday, the major opposition National Congress for New Politics (NCNP) demanded that the trials be conducted either simultaneously or entirely postponed until after the elections.

ROK: Developments in Trial of Ex-President Chon Reported

SK1903072996 Seoul YONHAP in English
0702 GMT 19 Mar 96

[FBIS Transcribed Text] Seoul, March 19 (YONHAP) — Following are the charges the prosecution additionally got substantiated in the course of questioning former President Chon Tu-hwan, Hwang Yong-si, former 1st Army Corps commander, and Yu Hak-song, former assistant defense minister for logistics, in the session of the trial of the Dec. 12 army mutiny on Monday:

Arrest of Chong Sung-hwa

It was 1st Army Corps Commander Hwang who first proposed the apprehension of then Army Chief of Staff Gen. Chong Sung-hwa, who was concurrently martial law commander, in connection with the slaying of President Pak Chong-hui on Oct. 26, 1979.

On his way home from the martial law command's expanded staff meeting on Nov. 14, 1979, Hwang met Chon, then head of the Defense Security Command (DSC), at a DSC "safe house" near the Chungang Ilbo [offices] and proposed that the DSC, which was empowered to investigate the assassination of Pak, arrest Chong, by asking "Isn't it necessary to investigate Chief of Staff Chong in light of his suspicious remarks and behavior after Pak's assassination and his presence near the assassination scene?"

Chon replied, "We'll investigate his role in the assasination in due time."

Decision of D-Day for Mutiny

Chon, Hwang, Yu and No Tae-u, then commander of the 9th Army Division, began to discuss the possibility of apprehending Chong in late November, and on Dec. 6 Chon alone set Dec. 12 as the date that Chong would be arrested and on Dec. 7 Chon discussed D-day with No and informed those who attended the so-called Kyongbok Palace meeting on D-day.

Chon was quoted as saying, "I like double-number figures, such as 3/3 (March 3), 4/4 (April 4) and 12/12 (December 12), and I've decided that December 12 will be D-day."

A Group Visited Choe Kyu-ha's Office

As Chon failed to obtain then President Choe Kyu-ha's ex post facto approval of Chong's arrest, Hwang proposed, "Let's call on the president at his residence to press for his decision."

Upon this proposal, five army generals in Chon's command post, including Chon and Hwang, left for Choe's residence by two cars and got there at 9:30 PM on Dec. 12. They entered Choe's room, leaving their revolvers behind in the cars.

Upon meeting Choe, Yu Hak-song pressed for his approval, by saying that unless he approved the arrest immediately, social confusion and chaos would worsen to an extent that would invite North Korea to begin a war.

But Choe refused to yield to the pressure, saying there is no such confusion and chaos.

After former Defense Minister No Chae-hyon brought a report of Chong's arrest to Choe's home and presented it to him at Chon's insistence, Choe approved of the arrest of the martial law commander, and signed No's report at "05:10 AM"

Thus, Chong's arrest was formally approved by the president early in the morning Dec. 13.

Choe was quoted as telling then Prime Minister Sin Hyon-hwak, "I thought the arrest of Army Chief of Staff Chong was illegal, but I had no choice but to approve it after agonizing over the matter for some time because the defense minister had approved of the arrest."

Secret Fund of Late President Pak Chong-hui

The joint prosecution-military investigation headquarters, which was looking into the assassination of President Pak, found a 900 million-won secret fund in the coffer of former Chief Presidential Secretary Kim Kye-won's room.

Chon testified that the money was given to Pak's daughter, Kun-hae, but she returned 300 million won. Of the money returned, 100 million won was used to defray the expenses of the investigation and the remaining 200 million won was delivered to former Army Chief of Staff Chong Sung-hwa, Chon said.

Chon said that he had no idea how Chong used the money, and said that he also gave 50 million won to then Defense Minister No.

Military Personnel Shake-up

The former acting director of the central intelligence agency Yi Hui-sung visited the defense security command at 2:30 AM on Dec. 13, 1979, and reprimanded Chon and Yu Hak-song. "Who gave you permission to leave the garrison when martial law has been declared?" Then Chon showed Yi a slip of paper on which a memo saying "Army Chief of Staff Yi Hui-sung" was jotted down.

Yi became enraged when he saw the memo, and asked "Who on earth dared to appoint a new army chief of staff?" After a little while, Yu ushered Yi into an adjoining room and persuaded him to take the Army's top post, saying, "You are the only person who can bring the present difficult situation under control."

Later in the day, Yi was appointed army chief of staff and martial law commander by Minister No, who had been apprehended by the new military elites and forced to meet with then President Choe Kyu-ha earlier in the day.

Lies of Yu Hak-song and Hwang Yong-si

When Capital Garrison Commander Chang Tae-wan was about to start operations to quell Chon's camp, Yu made a telephone call to the deputy chief of staff for operations of the Third Army Command and lied, "His excellency (President Choe) has given me special orders not to move any Third Army Command troops."

After a while, Hwang spoke with Chang on the phone, and lied that "Army Chief of Staff Chong was taken into custody after the joint investigation headquarters reported to the president. If you don't believe me, come and see for yourself!" Chang rejected.

ROK: Kim Yong-sam at Test of 1st ROK Satellite Broadcast System

SK1803110196 Seoul YONHAP in English 0804 GMT 18 Mar 96

[FBIS Transcribed Text] Yongin, Kyonggi Province, March 18 (YONHAP) — President Kim Yong-sam ushered in the satellite telecommunication era in a ceremony held at the satellite control center to observe the test run of the nation's first satellite broadcasting system Monday.

The Koreasat (Mugunghwa) No. 1, which was launched into orbit last August, will provide telecommunication services to remote areas where television reception is poor and save approximately 30 billion won annually in foreign communication satellite rent. The satellite is also expected to indirectly create goods and services worth a total of 14 trillion won in the aviation, shipping, automobile and electronics industries, he said.

Satellite telecommunications will accelerate the development of the nation's information superhighway and bring dramatic changes to people of all walks of life, he added.

After the ceremony, the president had a video conference via the new satellite telecommunication network with lighthouse keeper Kim Yong-hun on Mara, the country's southernmost islet, and forest ranger Kim Kang-tok atop Taechong-pong Hill in the Sorak Mountains on the east coast.

ROK: CEMC Official Criticizes Parties for 'Illegal Electioneering'

SK1603034996 Seoul THE KOREA TIMES in English 16 Mar 96 p 1

[Report by staff reporter Pak Sung-yong]

[FBIS Transcribed Text] As the April 11 general elections draw nearer, an increasing number of cases of illegal campaigning by the nation's major political parties and their candidates have been detected by official and civic election watchdog bodies.

They found that candidates of the ruling and opposition parties had constituents attend party rallies, which is banned under the current election law. The law allows only party members to attend such political gatherings.

Many incumbent lawmakers, who are running for reelection, are taking advantage of legal meetings to report their legislative activities to their constituents in the hope of gaining votes.

At these meetings, they are distributing materials containing election pledges, which were ruled illegal by the Central Election Management Committee [CEMC], the nation's top election watchdog.

The ruling and opposition parties are also accused of engaging in illegal activities by holding mass rallies on political issues, ignoring the CEMC's instructions to stop.

The ruling New Korea Party [NKP] mobilized thousands of people for a rally in Pohang, North Kyongsang Province yesterday, attempting to demonstrate their support for the party in an area where anti-NKP sentiment is ever growing.

The Pusan area suffered from severe traffic jams caused by buses used to transport participants to its gathering. The rally was aimed to renew the resolve of the party's Pusan and South Kyongsang Province candidates for "victory in the April polls." Pusan and its surrounding

South Kyongsang Province is NKP head President Kim Yong-sam's stronghold.

At its campaign committee meeting yesterday, the main opposition National Congress for New Politics decided to hold mass rallies a week from Monday under the theme of "Reinvigorating the Economy."

An NCNP official said, "The CEMC asked us to shelve the plan, but we have decided to push ahead with the rallies because they are not for the purpose of benefiting or harming a specific candidate, and are therefore legal."

The minor opposition Democratic Party, also ignoring the election watchdog's warning, decided to hold mass political rallies, beginning from yesterday. Twenty-two rallies will be held in Seoul, continuing through Sunday.

A CEMC official harshly criticized the parties for instigating illegal electioneering while publicly calling for clean and fair elections.

"The political parties should behave in line with their resolutions for a mature election atmosphere" he said.

ROK: Revision of 'Unfair' Election Law Urged

SK1703004096 (Internet) The Digital Chosun Ilbo WWW in English 1148 GMT 16 Mar 96

[Editorial: "Avaricious Incumbent Members"]

[FBIS Transcribed Text] Non-assemblyman candidates for the forthcoming general elections, including 102 candidates for the ruling New Korea Party, along with opposition and independent candidates, have made an application to the Constitutional Court for a ruling on the constitutional validity of that part of the current Election Law which provides that assemblymen candidates may at any time engage in a "pre-election campaign" by way of assembly activity report to the constituency whereas of course non-assemblyman candidates possess no such right. The application by these candidates has been launched en masse at this time as the elections are now only 20 days away and the applicants fear irreparable damage to their prospects on voting day should the law not be immediately rendered unconstitutional or amended in their favour.

Stories about the pitiful plight of the non-member candidates circulate in abundance. These candidates when they meet the voters cannot even mention the fact that they are seeking elections, may not append their qualifications and boasts to their name-cards and are not permitted to publish their names on their campaign office notice boards. In order to escape the net of the law which unreasonably discriminates against them in comparison to member candidates, these candidates must excuse themselves for not being able to mention their names to the electorates and refer to themselves as "so-and-so Kim, Pak, Yi etc". These non-member candidates, who must walk the residential side-streets for recognition, weaving in and out of the restrictions imposed upon them by the Election Law, now appeal for justice. The member candidates, as the law stands, have an advantage tantamount to a 50 meter head-start over non-member candidates in a 100 meter sprint towards the election finishing line.

Elections such as that which is round the corner are often compared with sporting events: the audience can only be satisfied with the outcome if the process of competition in the contest is administered fairly and scrupulously according to impartial rules. The recitals of the Constitution Law which guarantee fairness are founded on a similar spirit. The fact that the current legislation that regulates the holding of and activities connected with the forthcoming general elections contains provisions that seem to run counter to guarantee of fairness enshrined in the Constitutional Law has come about directly as a result of "the introduction of self-advantaging legislation by member candidates".

The Constitutional Court should as a matter of urgency take due note of the pleas of the non-member candidates and the seriousness of their plight and deliver a speedy ruling as to the constitutionality of the allegedly offending Election Law provisions. In order to excise the "unfair premium enjoyed by the incumbent member candidates" from the Election Law, the responsibility and privilege of drafting new provisions in the future should be taken away from the parliament and put into the hands of a neutral body such as the Central Election Management Committee.

ROK: Opposition Cancels Plans for Outdoor Rallies

SK1903061196 Seoul THE KOREA TIMES in English 19 Mar 96 p 2

[FBIS Transcribed Text] The opposition parties backed off from their strong positions to hold "outdoor rallies," which were viewed as violations of the election law by the Central Election Management Committee (CEMC).

Confronted with the opposition by the nation's top election watchdog, the National Congress for New Politics and the Democratic Party canceled their outdoor rallies.

The NCNP planned 14 rallies nationwide starting this week under the theme, "Let's Revive the Economy."

The NCNP asserted that the rally is not out of the boundaries of the current election law.

But the CEMC has repeatedly warned that outdoor party rallies like the one planned by the party is unlawful.

Under the law, election campaign is set to start upon the registration of candidacy on March 26-27.

At present, party leaders are virtually on the campaign trail under the guise of in-party activities. In a meeting on Sunday headed by election campaign director Yi Hae-chan, the NCNP decided that it will not insist on holding the events, which may cause unnecessary conflict with the CEMC.

Yu Chong-pil, a vice-spokesman for the NCNP campaign committee, said "Even if we still disagree with the committee's legal interpretation of the outdoor meetings, we decided not to go against it in order to prevent a head-on collision with the committee."

He hinted that the CEMC's letter, sent directly to NCNP leader Kim Tae-chung asking for the party to refrain from enforcing the rallies, played an important role in the decision.

NCNP spokesman Kim Han-kil said that the party canceled the rallies in an attempt to bring more attention to the CEMC's role of checking illegal campaigning by the ruling party.

However, the NCNP continued to criticize the committee for employing double standards among parties when enforcing the election law.

Campaign director Yi cited the fact that the CEMC didn't check the ruling party's rally on March 8 in the northern part of Seoul.

Meanwhile, the Democratic Party which had not budged from its will to hold outdoor rallies even after the NCNP's move, said yesterday that it will follow suit.

Hong Song-u, chairman of the DP's campaign body, said, "Our on-going rallies are normal political activities to express the party's stance on current issues. It can not be simply construed as election campaigning."

However, the DP concluded that it will do the party no good if it is seen by the public fighting with the nation's top election manager, he said.

But he alleged that the CEMC is strict to the opposition parties while lenient to the ruling New Korea Party.

ROK: NKP in Dispute Over Pak's Call for 'Alliance' of Reformists

SK1803111796 Seoul YONHAP in English 1022 GMT 18 Mar 96

[Article by Kim Tae-yong]

[FBIS Transcribed Text] Seoul, March 18 (YONHAP) — Conservatism or reformism? That will probably be a crucial question for the ruling New Korea Party [NKP] to answer if it fails to secure a stable majority in the upcoming general elections.

The "three big shots" in the NKP's election campaign camp are raising dissenting voices as to which way their party should take in case it fails to secure an impressive presence in the National Assembly. A likely scenario will be that its failure will provoke an internal power struggle and subsequent calls for realignment of political forces.

It has even been suggested by some political analysts that mergers or divisions of parties are likely.

The controversy began with Pak Chan-chong's open call for a "grand alliance" of reformist politicians from both ruling and opposition parties.

His remarks drew attention from both inside and outside the party since they deviated from the party line which emphasizes "stability" as a basis for reforms.

At the same time, the remarks were apparently received with caution by some conservative figures inside the NKP, who know very well that they are not reformers.

NKP Chairman Kim Yun-hwan introduced a theory that runs counter to Park's in response.

Rep. Kim, who is in charge of campaigning in Taegu-North Kyongsang Province, said on Sunday that "a new conservative party" will become necessary if the ruling camp doesn't win more than half of the parliamentary seats.

Kim, a senior ruling party official in the Third, Fifth and Sixth Republics led by former Presidents Pak Chong-hui, Chon Tu-hwan and No Tae-u, made the remarks in an interview with Japan's TOKYO SHIMBUN.

Kim, claiming that he represents conservative politicians, was pessimistic about the ruling party's chances to secure even half of the parliamentary seats, and predicted that realignment of political forces would be inevitable as a result.

"The ruling party needs to win more than half of the seats. But if the NKP does not win enough support in the general elections and is likely to face difficulty in next year's presidential election, we will have to think of creating a new conservative party," he said.

Political analysts consider Kim's remarks to be an attempt to defend himself from Park's "grand coalition of reformist figures" theory.

Analysts are predicting that if reformist politicians unite to form a party after the general elections, Rep. Kim will probably be alienated from the coalition.

Rep. Kim was chief secretary to former President Chon in 1987 and secretary general of the ruling party under former President No. The two ex-presidents are now on trial on charges of bribery and treason.

Pak did not openly point out Rep. Kim as a conservative force, but Kim apparently got annoyed, according to political analysts.

Rep. Pak explained his theory last Saturday to reporters, saying that all the reformist politicians, regardless of their parties and past, should join the NKP.

"The grand coalition will give birth to a national regime which will lead the second round of reforms in the future and create a new group of leaders for the 21st century, which will be an era of unification and grand reconciliation," Park said.

Pak was an independent lawmaker before he was invited to join the NKP in January and took charge of the party's election campaign in the metropolitan area.

Park had left the political camps led by the so-called two Kims in 1987, then-opposition leaders Kim Yong-sam and Kim Tae-chung, after criticizing them for failing to produce a single candidate in the 1987 presidential election.

Yi Hoe-chang, former prime minister and now chief of the ruling party's Central Campaign Committee, has not yet given a clear-cut view on the idea of restructuring the political bloc.

Yi, who is considered one of the potential candidates in next year's presidential election, has so far only advocated "new politics" and called for an end to the "era of three Kims" which he argues has been based on regionalism.

In a press conference held shortly after he joined the NKP last January, he said that reform is "a tool of conservatism." He even said that "conservative figures with reformist tendencies" are eligible for leading roles in the era of new politics in the future.

ROK: MBC Trade Union Strike Enters Third Day

*SK1603032096 Seoul YONHAP in English
0254 GMT 16 Mar 96*

[FBIS Transcribed Text] Seoul, March 16 (YONHAP) — Munhwa Broadcasting Corp. (MBC), whose trade union's strike entered its third day Saturday, continued to hobble on in its broadcast operations, including the use of replacement hosts for its live programs.

The emergency committee of Munhwa's trade union, which began its strike Thursday, held a joint meeting with representatives from 15 civic organizations, including the citizens' coalition for economic justice, to work out future measures at the Manhattan Hotel in Yoido early Saturday morning.

Some 400 union members also held a meeting to discuss how to proceed with the strike at the network's headquarters.

Meanwhile, the union decided to go on an general strike that will include MBC's 19 local affiliates on Monday. It also plans to stage a grand rally demanding that the reelection of MBC President Kang Song-ku be rescinded, with some 1,000 Seoul and local union members to attend.

The union has accused Kang of using his influence as MBC chief to broadcast news reports biased in favor of President Kim Yong-sam and the ruling party.

ROK Wages Reportedly Rose Rapidly in 1987-94 Period

*SK1803114396 Seoul YONHAP in English
1059 GMT 18 Mar 96*

[FBIS Transcribed Text] Seoul, March 18 (YONHAP) — Wages have soared in South Korea much faster than in the United States and Japan and even Taiwan in the 1987-94 period.

The 1995 wage trend made public Monday by the Finance and Economy Ministry showed that wages in South Korea jumped at the annual rate of 16.2 percent in the eight years.

The rise compares with an annual 2.6 percent wage increase in Japan, 3.3 percent in the United States and 11 percent in Taiwan in the same period.

Last year alone, monthly wages increased 11.2 percent in Korea over the previous year to 1,222,000 won on the average, according to the figures.

The 1995 wage gain was a 1.5 percentage point less than the previous year, 12.7 percent, but it still was so high as to adversely affect the country's international competitiveness, the ministry paper said.

The trend also showed that labor expenses per products unit increased at 4.9 percent a year on the average in the 1987-94 period in South Korea whereas they declined 0.4 percent in Japan and gained mere 2.9 percent in Taiwan.

ROK Central Bank Reports on Money Market Rate Stability

*SK1903041896 Seoul YONHAP in English
0154 GMT 19 Mar 96*

[FBIS Transcribed Text] Seoul, March 19 (YONHAP) — The issuance of bad checks is on the decline and interest rates are stabilizing, reflecting a slow-down in the corporate demand for money.

In the first two weeks of March, checks written with insufficient funds represented 0.10 percent of those referred to the Seoul clearinghouse for settlement, down from 0.18 percent in January when Usong Construction Co. went bankrupt, according to the Bank of Korea.

If Usong-related bad checks are excluded, the rate falls to 0.09 percent, suggesting that the effects of Usong's failure have almost run their course.

The yield on three-year corporate bonds has been slipping from the 11.97 percent high recorded March 6, after the decision was made to shelve plans to reduce the stock market stabilization fund's corporate bond holdings.

Call loan rates between short-term finance companies have been at the 10-percent level, while bank-issued certificates of deposit have been stable at the mid-11-percent level.

The central bank attributed the money market rate stability to slowing production and capital investment, improved cash flow from the business boom last year and increased direct stock and bond market financing.

As of March 15 this year, companies listed on the stock market raised a total of 4.92 trillion won (6.3 billion U.S. dollars) by issuing shares or bonds, up 1.77 trillion won from the same period last year.

The sluggish real estate market and the prolonged correction of the stock market have together caused the demand for speculative investment to dwindle, while the belief that tight monetary controls will not be imposed after the April general elections has reduced the amount of money being borrowed for the future.

The money market will continue to stabilize in April, since there will be no need to take out loans for a post-election money supply, a Bank of Korea official said, and added that total money supply growth, or the sum of circulating cash and demand and savings deposits at banks, would be kept at the annualized target rate of 16 percent.

Burma

Burma: Thai Prime Minister, Delegation Depart Rangoon

BK1803155296 Rangoon Radio Myanmar in Burmese 1330 GMT 18 Mar 96

[FBIS Translated Text] A Thai goodwill delegation led by Thai Prime Minister Banhan Sinlapa-acha and his wife, Khunying Chaemsai Sinlapa-acha, departed Yangon [Rangoon] by special aircraft at 1815 today after paying a goodwill visit to the Union of Myanmar [Burma] at the invitation of Senior General Than Shwe, chairman of the State Law and Order Restoration Council [SLORC] and prime minister, and his wife Daw Kyaing Kyaing.

The delegation was seen off at Yangon International Airport by: Sr. Gen. Than Shwe, chairman of the SLORC and prime minister, and his wife Daw Kyaing Kyaing; General Maung Aye, vice chairman of the SLORC, deputy commander in chief of the Defense Services, and army commander in chief, and his wife; Lieutenant General Khin Nyunt, SLORC secretary-1; Lt. Gen. Tin U, SLORC secretary-2, and his wife; Vice Admiral Maung Maung Khin, and Lt. Gen. Tin Tun, both SLORC members and deputy prime ministers, and their wives; Foreign Minister U Ohn Gyaw and his wife; Brigadier General Khin Maung Than, chairman of Yangon Division Law and Order Restoration Council and commander of Yangon Military Command, and his wife; U Tin Win, Myanmar [Burmese] ambassador to Thailand, and his wife; and Thai Embassy staff.

Burma: Khun Sa Said Hiding From MTA Assassination Threat

BK1803041796 Bangkok BANGKOK POST in English 18 Mar 96 p 1

[Unattributed Report]

[FBIS Transcribed Text] Mae Sai — Drug kingpin Khun Sa is hiding on an island from an assassination threat by his former soldiers, a source said yesterday.

Rangoon troops are protecting Khun Sa on Koko island, south of the Burmese capital from members of his former Mong Tai Army [MTA] who felt betrayed when he capitulated to the State Law and Order Restoration Council.

In January, the heroin magnate announced the end of his struggle for an independent Shan State and surrendered with 10,000 MTA soldiers and weapons to the junta.

He left his Ho-mong headquarters for Rangoon early this month, reportedly to launch businesses, but became uncertain about his safety, said the source.

More than 20,000 former MTA soldiers have formed four groups and taken positions north of Ho-mong, two of them declaring the war is still on.

The 9,000-strong Shan State National Army [SSNA], led by Maj Karnyord, is near Lashio, and the 800-1,000-strong Eastern Shan State People's Army, under Jai Loen Kham; an adopted son of Khun Sa, is near the Mekong near Mong Yawng.

The two other groups have yet to declare their intention.

The first, comprising 2,000 soldiers, is led by Maj Yod Suk and the other, with 10,000 troops, is under Jai Leun, a former Burmese Communist Party member.

Yod Suk's group was likely to join the SSNA, the source said.

Although these groups had not been able to combine as one, they were not in conflict.

"Political and drug problems will continue in Burma and Shan State in particular," he said.

Burma: Report Views Reported Khun Sa Departure From Ho-Mong

BK1903103596 (Internet) BurmaNet News in English 17 Mar 96

[Unattributed report from SHAN HERALD NEWS AGENCY, 2 March: received via Internet]

[FBIS Transcribed Text] On December 29 1995, at 1500 hours, a nine-member SLORC [State Law and Order Restoration Council] delegation led by San Pwint and Nyan Lin arrived at the MTA [Mong Tai Army] General Headquarters in Ho-Mong. On January 2 1996, their back-up troops also arrived. On 1 January 1996, a ceremony in which MTA surrendered to SLORC was held at the playground in Ho-Mong and another one on January 18 1996, at the parade ground in Mong Mai recruit training camp. Thousands of assorted arms and soldiers fell into SLORC hands.

During the ceremony on 18 January 1996 at Mong Mai, when Major General Maung Thint, minister for border area development and ethnic nationalities development (BAD END minister) came to meet Khun Sa, he brought with him 5-6 paper boxes sized 2 x 1 1/2 x 1 feet, covered with coloured packing paper and tied with silk ribbons, which he presented to the MTA leader. Though the boxes were not opened in public, most people thought they contained Burmese bank notes. General Maung Thint left Ho-Mong that evening. Before he left, during the feast held in their honour that afternoon, on seeing Khun Sa's face was not very cheerful (because his diabetes was troubling him) he said, "Mr. Khun

Sa, don't worry, everything will turn out well. At first, General Khin Nyunt himself was to come. But, on China's invitation, he had to go there with Senior General Than Shwe and was unable to come. He was very sorry about it. "At that time one of the ex-CEC [Central Executive Committee] members happened to be nearby and asked Maung Thint what they would do if America asked for Khun Sa. Maung Thint answered, "Don't worry about that. We can promise firmly that we will not sell Khun Sa to the Americans", and laughed heartily.

Shortly after, news about Khun Sa having gone to Rangoon came out. But some said he was still in Ho-Mong and would only leave for Rangoon at the end of February. The news of his leaving came out, when, on February 10 1996, during the night, 13 four-wheel trucks and one van left Ho-Mong (via Mong Ton, Mong Nai, Namsang, Loi-Lem, Taunggyi to Rangoon) and most people believed that Khun Sa had gone with that convoy. But later it was said that he was still in Ho-Mong.

At first SLORC intended to take him by helicopter, and just two days after the surrendering ceremony, they had already transported some of the MTA officials who live west of the Salween in northern and central Shan State, using helicopters. But, at one point, they discovered 2-3 mines and grenades in a food container of one of Khun Sa's body-guards. Since then (early February) no helicopters came to Ho-Mong again.

It was later known that the 14 vehicles which left Ho-Mong on the night of February 10 1996 carried only some of the MTA officials who were moving to live in towns, and their belongings.

In mid-February, on the 15th or 16th, Khun Sa went to see the Abbot of Ho-Mong monastery, Venerable Carinda, and said, "Before long, I'll have to go to Rangoon. My work will not be finished if I do not go. Even though I don't want to go, it is unavoidable. Please look after and encourage those who will remain here while I am away. When my work is done, I will try to come back. If, by some unfortunate turn of fate, death comes to me before I can return, please fetch my bones and bury them here. Because Ho-Mong is my city. "Large tears then ran down his cheeks and he could say no more. He appeared to be suffering badly from his chronic illness. After a short while he left for his house.

On February 23 1996, rumours about Khun Sa having left for Rangoon were heard again. It was said that on that day, two helicopters landed on Ho-Mong football field with Burmese troops taking strict security around it. They stayed around only long enough for some officials and Khun Sa himself to board and then took off to Rangoon. Seven four-wheel trucks, said to be fully loaded with Khun Sa's personal belongings and goods to present to SLORC top officers in Rangoon, also left Ho-Mong later that day.

But on February 29 1996, there were some people who claimed to have seen Khun Sa on February 28, and asserted that he was still in Ho-Mong.

And on March 2 1996, news came out again that Khun Sa would certainly have to leave Ho-Mong in 3-4 days' time. He would have to stay in Rangoon under house arrest for at least 6 months to one year. Though it is uncertain whether he will be allowed to return after his release, he has a strong desire to come back. The Burmese army officers have been telling him that Ho-Mong is no longer safe for him and only in Rangoon that he will be able to live peacefully and securely.

Troops in charge of Khun Sa's security in Ho-Mong now are said to be commandos of a special force directly sent from Rangoon. After the surrender of thousands of troops and arms in Ho-Mong, no one except Khun Sa's body guards have been allowed to keep arms, since mid-January.

These are the news stories about Khun Sa having left for Rangoon that are circling for the time being. Anyhow, before very long, Khun Sa will surely have to go. But as for when, where and how, these are facts that only Khun Sa's close associates and SLORC top officials are privileged to know.

Note: On March 4 1996, SLORC sent Hasski [as received] helicopters to fetch Khun Sa to Rangoon. His personal assistants Lao Tai, Lao Woo, Khun Leng and his private doctor Lao Phe went on board with him.

On March 7 1996, Sao Khwan Muang (Secretary of the CEC of SSRC [Shan State Restoration council] which was formed in September 1995 after the MTA split to build up the soldiers' morale, because many had deserted. The CEC was dissolved with the MTA surrender.) and Sao Nor Muang Orn (Chairman of the sub-committee of Justice of SSRC) arrived in Taunggyi by car. They were to meet Khun Sa at a certain point on the sea coast where he had made an appointment with them.

On March 8 1996, Sao Khwan Muang called some SSA [Shan State Army] senior leaders to come and see him in Taunggyi to talk things over.

Burma: KNU Delegation Leader on Talks With SLORC

BK1703134696 Bangkok THE SUNDAY POST in English 17 Mar 96 p 18

[Report on an interview with Padoe Mahn Sha, leader of the second KNU peace delegation, by assistant editor Ralph Bachoe, which includes a list of 12 KNU proposals presented at the KNU-SLORC talks in Rangoon on 14-23 February; place and date of interview not given]

[FBIS Transcribed Text] Slorc [State Law and Order Restoration Council] have rejected five of 12 points in a proposal submitted by the 12-member Karen National Union [KNU] delegation during last talks held in Rangoon on February 14-23.

But, delegation leader Padoe Mahn Sha said Slorc (the ruling State Law and Order Restoration Council) has expressed a willingness to discuss the remaining seven. However, they have set preconditions to discussing them.

Padoe Mahn Sha is Joint-Secretary 1 of the KNU.

He said: "First, Slorc is prepared to halt all offensives against the KNU on condition that the latter agrees to return to the 'legal fold' and abandon the armed struggle.

"Second, the movements of the KNU troops would be restricted to areas designated by Slorc."

This is somewhat akin to the Clarendon code adopted in 17th Century England whereby movement of the populace is restricted to a radius of five miles of the designated area.

"It also means that the Karen troops would be placed in virtual isolation where they would have to conduct themselves strictly by rules and regulations laid down by Slorc," he said.

The KNU would however be permitted to conduct business activities like timber trade or fisheries after going through the official channels of applying for a licence for the ventures.

Padoe Mahn Sha added the Slorc has insisted the KNU promise to eventually lay down arms. Slorc told the KNU delegation these were conditions accepted by the 15 groups which had returned to the "legal fold" before ceasefire agreements were reached.

"Surrender is out of the question," said a senior Karen official quoting Saw Ba Oo Gyi, one-time leader of the Karen revolutionary movement.

"We can stop armed resistance and what-not, but no surrender. When it amounts to surrender, even if we are allowed to bear arms ... it is meaningless.

"So surrender is out of the question, but still we will have to discuss (the issue) with our people."

The Karen have been fighting the central government since 1949 for independence, and later for autonomy in a federal Burman.

These preconditions have placed KNU negotiators in a spot. However, Padoe Mahn Sha insists they must continue negotiations.

He said: "What the KNU desires is a form of security ensured whereby both sides could live safely without fear of attacks or harassment and with mutual respect for one another. What we don't need is one side having the 'upper-hand'.

"In our last negotiations, like in the first, there was no such thing as give and take between the two sides. What we talked about was our respective stands on the issue."

He said what both sides did was to express their views and options and will now have to work towards a compromise.

"We would just have to come to a compromise on points for which we do not see eye-to-eye. This is the nature of negotiations. And there are many points which we do not agree upon. So we will have to continue to talk.

"The KNU will always strive to achieve genuine peace. And to get this we can't do it alone. We need the help of all parties involved to pull their weight. [no closing quotation mark as published]

As to the next meeting, he said no tentative date has been set, but preparations will have to be made in the meantime.

The first group, led by Nay Soe, travelled to Burmese coastal town of Moulmein on December 13 last year for the first round of peace talks with the Burmese military since failed negotiations in 1963. They were later flown to Rangoon where they met military Secretary-1, General Khin Nyunt.

Going back to what was said during his trip to Rangoon, he described Khin Nyunt as man who had nothing much of substance to say.

"What he told us was the Slorc is striving towards alleviating the welfare of the minorities; that he's working toward national peace and harmony; and that he would like to continue working to achieve this goal.

"He also wants to bring peace and development to Karen State. He wants the KNU to work together with them."

Padoe Mahn Sha said he wants Khin Nyunt's words transformed into deeds about bringing peace to the Karen State.

He cited examples of Slorc atrocities perpetrated against his people like forced relocation of villagers, destruction of crops and livestock in the Karen State districts like Toungoo, Nyaunglebin, Thaton and Papun to such an extent that the people are finding it difficult to survive.

"Whether one wants to believe them or not, I would like to reveal what Slorc is doing at the moment. And I believe it should be told especially at a time when we are striving to restore peace," he said.

He added that the populace in Toungoon district have been recruited to clear mines and build roads, and in the process many have been killed. Forced relocation has been conducted on both the hills and plains areas. Fruits and orchard plantations have been put to the torch and destroyed. Livestock also have either being killed or confiscated.

"As for killing people and burning down villages it has become a common occurrence."

He said: "They want to bring peace and tranquility to the Karen State, and also to the entire country is what they say. But when we see such destruction and atrocities being committed, it is hard for us to comprehend. We just can't understand how peace could be achieved this way."

Commenting on Gen Tin U's (a senior Burmese military official) comment that the on-going peace talks are improving, Padoe Mahn Sha expressed scepticism:

"I don't know how he came to that conclusion, and based on what factors. As of today, the ceasefire deals with the 15 groups have made no mention of a political settlement."

Padoe Mahn Sha believes an element of danger still lurks around the corner explaining that tension between other groups and the Slorc still exists because of the political factor.

"I can't understand how he came to the conclusion that peace talks are improving," he said.

Talking about the transparency of talks being conducted and Slorc's tendency to keep negotiations secret whenever possible, the delegation chief said:

"Where we are concerned, the present discussions involve the immediate problems that exist between the Karen people and Slorc and not the KNU and Slorc.

"Therefore we cannot hide anything. The Karen people want to know. So there is no way we can be secretive about what was said during our negotiations.

"Likewise, the whole country would like to know what's going on because the Karen and Slorc issue also concerns them. That is why, on our part, we cannot afford to be secretive. We have to tell them what's going on.

"Telling them about it (how the negotiations went) would enable them to realise the true position of our stand with Slorc. This is our duty. This is what we believe in."

Talking about the beliefs of the Democratic Karen Buddhist Organisation [DKBO] which broke away from the Christian-dominated KNU in 1994, he said:

"Although the DKBO has embraced the word Buddhist in creating the group, its practice is far from the teachings of Buddhism."

He related the history of two Buddhist organisations called the BKNA (Buddhist Karen National Association) and the YMBA (Young Men's Buddhist Association) that existed during the colonial era.

"What's significant in the movements of these two groups is that they were active in creating political and religious awareness among the populace and stressing the importance of national unity. They defied the colonial authorities by peaceful strikes and demonstrations adhering strictly to the Buddhist teachings of non- violence .

"If we are to compare the DKBO to these two Buddhist groups, the latter is first disrupting national unity, second it is destroying political awareness among its people, and third, using Buddhism as a pretext for creating an army. They have even handed down death sentences at monasteries. All this goes against the teachings of the Lord Buddha." Padoe Mahn Sha is a Buddhist.

The 12 KNU Proposals [subhead]

The five proposals rejected outright by Slorc are:

1. Slorc declare a nation-wide ceasefire.

2. Villagers forcefully relocated be allowed to return to their place of abode and to allow NGO's to help resettle these villagers.

3. To permit open and free discussions, and hold conferences when necessary with Karens in the country.

4. To allow the UN to supervise and monitor troops of both sides when the ceasefire is in effect.

5. To discuss basic issues plaguing the country such as politics, the civil war and national peace and reconciliation within 30 days after reaching a ceasefire agreement.

The seven proposals Slorc will consider are:

1. To halt reinforcement of troops and transporting heavy weapons to the frontline for offensive purposes.

2. To halt portering and force recruitment of villagers into the army in Karen territories.

3. To halt the practice of extorting money, property and livestock from villagers to avoid being taken away as porters, contributing voluntary labour.

4. To consider forming a joint-committee comprising members from both sides to oversee and settle disputes which might arise after the ceasefire takes effect.

5. To reciprocate information of troops movements of both sides.

6. To release all Karen political prisoners, most of whom are just simple peasants taken in under the "unlawful association" clause.

7. To halt construction of access roads for military offensive purposes.

Brunei, Malaysia & Singapore

Malaysia

Malaysian Defense Minister: Army To Get Bulk of Defense Funds

BK1903102796 Kuala Lumpur THE STAR in English 19 Mar 96

[Unattributed report — received via Internet]

[FBIS Transcribed Excerpt] Kuala Lumpur — The army will get the bulk of defence allocations in the Seventh Malaysia Plan, said Defence Minister Datuk Syed Hamid Albar.

He said the funds would be spent on upgrading the army's firepower, mobility and communications systems.

"We will also equip the army with more armour and other necessary vehicles," Syed Hamid said after attending a Armed Forces Co- operative briefing here yesterday. He declined to say if main battle tanks (MBTs) would be procured.

"However, MBTs are needed in our on-going transformation of the army into an effective conventional fighting force," he said.

He said several countries, including Russia, Britain, Poland, Slovakia and Switzerland had offered to sell MBTs to Malaysia.

He also said a ministerial level defence forum between Malaysia and Singapore would be held tomorrow. Syed Hamid said the forum would be used to further strengthen the existing level of co-operation.

He also said co-operative recorded a RM [Malaysian ringgit] 16.03 million net profit last year, compared with the 1994 figure of RM13.15 million. [passage omitted on background of cooperative's profit]

Malaysia: Mahathir Assures Investors on National Policies

BK1903102496 Kuala Lumpur THE STAR in English 19 Mar 96

[Report by Lim Ai Lee — received via Internet]

[FBIS Transcribed Text] Kulim — Datuk Sri Dr Mahathir Mohamed has reassured investors of Malaysia's "business-friendly" policies which are aimed at promoting their business ventures.

The Prime Minister said yesterday the Malaysia Incorporated policy, for example, had forged closer cooperation between the Government and the private sector.

He said the private sector had a role to play in the country's development.

Dr Mahathir said at independence, the country's per capita income, with a smaller population, was around US$300 (RM [Malaysian ringgit] 765), but today the amount was nearing US$4,000 (RM10,200).

"Our objective is not to enrich the Government but to enrich the nation," he said when opening the Kulim Hi-Tech Park here.

Guests present included Health Minister Datuk Chua Jui Meng, Works Minister Datuk Sri S.Samy Vellu, Penang Chief Minister Tan Sri Dr Koh Tsu Koon, Kedah Mentri Besar [Chief Minister] Tan Sri Osman Aroff and his Perlis counterpart, Datuk Sri Shahidan Kassim.

Dr Mahathir assured investors they were dealing with people who knew how to handle money, based on their expertise developed over the years.

"The Government does not like to be in debt to anyone or bankrupt the country," he said.

He said the Government wanted to administer the country so that "we can be economically well-off".

He said the Government adopted a pragmatic approach towards handling the country's affairs, including its finances.

He said Malaysia had transformed itself from an agriculture-based to an industrialised country, and was now attractive to foreign investors.

He noted that about 97 per cent of the 1,200 hectares at the Kulim Hi-Tech Park had been taken up by investors, who had committed a total investment of RM15 billion.

On government incentives, he said: "While we are prepared to forgo taxes, we have to consider stopping somewhere.

"Forgoing taxes is easy because with the money we have not collected in the past, we will not miss the money if we don't collect in the future.

"But giving up what we have to stimulate investment is something else. We must work within our own capabilities and capacities.

"If we can afford, we will. But sometimes we cannot afford and we have to be pragmatic on the matter," he added.

Cambodia

Cambodia: Three Free Vietnam Movement Leaders Deported

BK1903102996 Phnom Penh KAOH SANTEPHEAP in Cambodian 13 Mar 96 pp 1, 4

[Unattributed report]

[FBIS Translated Text] The Ministry of Interior of the Kingdom of Cambodia deported three Vietnamese — ringleaders of the free Vietnam movement — handing them over to the Vietnamese Government on 9 March. We do not care about the fate they will face so long as they do not create any trouble on our Cambodian soil.

These three ringleaders are Ly Chandar alias Ly Ngoc, deputy supreme commander of the movement's army; Ly Thara, vice minister of finance; and Nguyen Phoung Suon, press officer of the movement and a close associate of the former president of an association. Another ringleader Do Thanh Dung alias Thanh Vinh, army supreme commander of the movement, escaped arrest.

A truck brought the three to be handed over to the Vietnamese Government to a meeting place located at the midpoint of the two borders, that is, between Bavet and Mok Bai.

It is believed that other partisans of this movement, including some Cambodians, are now taking refuge under a journalist association which is currently facing a serious internal rift.

It has also been reported that this movement's ringleaders held secret meetings at this association, but the issues they discussed are not known.

We would like to ask the Vietnamese Government or the Vietnamese Embassy in Phnom Penh to inform the Cambodian authorities or our KAOH SANTEPHEAP about Le Chandar's investigation so that we know about his involvement with this association or about anyone in this association. This is because we do not want any Cambodians to serve this movement.

Cambodia: Khmer Rouge Reports Battle Success on Route 10

BK1903080996 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 18 Mar 96

[FBIS Translated Text] This is the report from the Route 10 battlefield.

On 16 March, the national army and poor peasants launched a two-prong assault against enemy forces. The first prong ambushed an enemy regiment at Andong Thmar and Trapeang Kakah. After fighting for one whole day, we killed 19 enemies on the spot, including a captain, a first lieutenant, and a second lieutenant, and wounded 23 others. We destroyed five AK rifles, a B-40, an ICOM walkie-talkie, and a quantity of war materiel; and seized 10 AK's, an RPK, a DK-82, a pistol, 1,500 rounds of AK ammunition, a quantity of B-40 and DK-82 ammunition, 60 rucksacks, and a quantity of war materiel.

The second prong detonated mines and launched sweeping attacks north of (Phnum Pring), killing 20 enemy soldiers and capturing three others from the 911th Parachute Division. We also set ablaze a Zil-131 truck carrying troops from the 911th Parachute Division. Eight enemy troops in the truck were killed and 15 others were wounded. We destroyed three AK's, two B-40's, an ICOM walkie- talkie, a map, and a quantity of war materiel, and seized 12 SKS rifles, three B-40's, four AK's, an M-16, 200 rounds of AK ammunition, a quantity of B-40 and M-16 ammunition, a number of hand grenades, 14 rucksacks, and a quantity of war materiel and rice.

Indonesia

Indonesia: Polish Premier on Upgrading Trade Cooperation

BK1803121996 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 18 Mar 96

[FBIS Translated Text] The Polish Government wants to upgrade trade and economic cooperation with Indonesia. Polish Prime Minister Wlodzimierz Cimoszewicz stated this during his courtesy call on President Suharto at Jakarta's State Palace this morning. After the meeting, Minister-State Secretary Murdiono told reporters that Poland has advanced shipping technology and Indonesia can benefit from an expansion of bilateral cooperation. The Polish prime minister also expressed his wish to know Indonesia better and study Indonesia's successful development programs. During the meeting, the Polish prime minister also extended the Polish president's invitation to President Suharto to visit Poland. The head of state agreed to consider the invitation.

The Polish state guest will attend an official banquet hosted by the president and Mrs. Suharto this evening. The Polish prime minister is also scheduled to meet with officials of the Indonesian Chamber of Commerce and Industry, visit the National Museum and the Indonesian Mini Park, and pay a courtesy call on Vice President Try Sutrisno. He is scheduled to hold private talks with President Suharto at Merdeka Palace tomorrow morning. Before arriving in Jakarta this morning, the Polish prime minister and his entourage visited Bali; he is scheduled to leave Indonesia for Thailand on 20 March.

Indonesia: Suharto Hosts Banquet for Poland's Cimoszewicz

BK1903104096 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 19 Mar 96

[FBIS Translated Text] President Suharto and Polish Prime Minister Wlodzimierz Cimoszewicz are scheduled to hold private talks at the Merdeka Palace this morning. The two leaders expressed their desire to expand bilateral ties at last night's state banquet in honor of the Polish prime minister and Mrs. Barbara Cimoszewicz.

[Begin recording] [correspondent Kabul Budiono] A state banquet in honor of a visiting foreign dignitary is not simply a cordial gesture by the host. Last night's banquet began with an exchange of souvenirs, followed by dinner, speeches, and a performance. During the banquet, the two leaders expressed their determination to expand bilateral cooperation. In his speech, President Suharto said that the Polish prime minister's visit provided an opportunity for the two countries to get to know each other better.

[Suharto] We have noticed from afar that the transformation process toward a market economy and modernization has brought about positive impacts to the national life in Poland. Last November's presidential election reflected efforts to uphold democracy in Poland. We hope that positive developments will strengthen ties between our two nations and countries, especially in promoting mutually beneficial cooperation in trade and economic areas. Our two countries have their own potential which we must develop to implement our respective national development.

[Budiono] Trade is one of the potential areas that must be developed and this can be done through closer ties between Asia and Europe as seen from the recent Asia-Europe Meeting in Bangkok.

In his reply speech, the Polish premier stated that he believed that bilateral trade can still be upgraded by looking at the two countries' potential.

[Cimoszewicz, speaking in English] [in progress] ...satisfaction on trade between our countries each year. According to estimated figures in 1995, it amounted to US$140 million.

[Budiono] Cimoszewicz, who assumed the post of prime minister in February, said bilateral trade continued to increase and amounted to US$140 million in 1995, but there is still room for further expansion. He also said Poland has what Indonesia needs, for example, mining, shipping, fishery, railway, and chemical industries. However, the two countries can also cooperate in other areas in addition to the above-mentioned traditional fields. In his first visit to Indonesia after he assumed the post of prime minister, Wlodzimierz Cimoszewicz is also accompanied by several prominent Polish businessmen. This is a golden opportunity for the expansion of bilateral cooperation. [end recording]

Indonesia: Official Rules Out Closing of Freeport Company

BK1803142596 Jakarta ANTARA in Indonesian 0158 GMT 18 Mar 96

[FBIS Translated Excerpt] Jayapura, 18 Mar (ANTARA) — It is impossible for the government to meet the demand by a group of Irian Jaya residents calling for the closure of the Freeport Indonesia Co. Ltd. — a company involved in copper, gold, and silver mining in Tembagapura, Fakfak District, Irian Jaya Province.

Speaking to ANTARA via telephone on Sunday evening, Colonel Frans de Wanna, commander of the Manokwari Area Military Command, said the demand for the closure of the giant company is unreasonable because it will negatively affect the government's development program.

Another demand to the effect that 1 percent of Freeport's profits be shared among the people of Irian Jaya is also unreasonable because the demand does not represent the true aspirations of the Irian Jaya people and workers but is masterminded by certain individuals who want to fish in troubled waters. The demands were issued during a rally in Timika last Tuesday.

He said military authorities were acting as mediators during the recent riots and rally in Tembagapura and Timika. [sentence indistinct]

He said the military, in fact, supported Timika residents and Freeport employees who were protesting against the company's security guards.

There has been unfair treatment in the promotion system for Irian Jaya natives and other Indonesian employees compared to that of foreign employees working for Freeport.

Col. Frans said Freeport management has promised to reply to the demands submitted by the protesters within 30 days. [passage omitted]

Indonesia: Daily on Riots in Irian Jaya, Casualties

BK1903045896 Jakarta KOMPAS in English 19 Mar 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Jayapura, Kompas Online — Riots erupted in Sentani-Abepura, Irian Jaya, on Monday (18 March) after the arrival of the body of separatist leader Thomas Wanggai who had died on Tuesday (12 March) while serving a prison sentence in Jakarta.

In this, the latest of riots to hit the province, three people were reportedly killed, the Abepura market was burned to the ground, more than six vehicles were destroyed and dozens of buildings, lining the Sentani-Abepura road, were devastated.

Up until late Monday night, the information section of the Trikora military command had yet to confirm the identity of the three victims nor the amount of material loss incurred.

According to an AFP report, information officer of the Trikora military command Maulud Hidayat said four people had died including an army officer, while Reuters has reported that there were no fatalities or arrests made during the riots. An employee at the hospital in Jayapura said several people had been injured but there had been no deaths. KOMPAS sources in Jayapura have however confirmed the death of three people although identities are still unknown.

Demonstrations occurred after independence groups heard that Wanggai had been killed and did not die because of sickness, as explained by the head of the Cipinang Prison. Thousands of people had been waiting for the arrival of Wanggai's corpse at the Sentani airport since 0600 Eastern Indonesian Time on Monday. When they were unable to see the corpse, as it was carried away by the ambulance, violence erupted.

A KOMPAS journalist, attempting to get a closer look at the situation, was struck by one of the leaders of the group and then attacked by several other rioters. To save himself he then ran toward ABRI [Armed Forces of the Republic of Indonesia] officials who were stupefied by the whole situation.

The screaming masses formed a procession and marched to the Cendrawasih University campus in Abepura where they pelted buildings with stones, burned the restaurant, overturned vehicles and set alight to the market place.

The Jayapura-Sentani road was closed in efforts to safeguard the general public against the violent onslaught. The road was then re- opened at about 1400 after the masses had been dispersed.

As a helicopter circled over the riot location, shots could be heard. In the heat of the situation, shops, government and private offices were closed as people ran out of their places of employment to witness the commotion.

Even in Jayapura shops closed in the late morning. Public transport also came to a halt. Because of traffic disruptions all passenger flights were postponed. If tomorrow (Tuesday, 19 March) transport between Jayapura and Sentani has returned to normal, then we can leave, said a Sempati passenger.

Meanwhile, at the Police Headquarters in Jayapura three trucks, filled with troops were dispatched throughout the town.

Wanggai's family said that Thomas Wanggai, imprisoned for raising the Papuan flag in the Mandala Square on 14 December 1988, would be buried at the Kayu Batu cemetery. Originally he was to be buried in Serui but, as his younger brother Agust Frets Wengge explained, this was not acceptable because, Tom belongs to all Irianese. Chronology:

0700: The masses arrived at the airport. They gathered in the parking lot. Anti-riot police were ready with helmets, shields and truncheons. A number of officers from the Special Forces had also been placed on alert.

0830: Yellow trucks carrying the demonstrators entered the airport.

0845: The demonstrators restlessly began to move through the parking lot.

0923: The Garuda aircraft carrying Thomas Wanggai's body landed. The demonstrators cheered hysterically. The family of the deceased, waiting in the waiting room, moved toward the gate which was heavily guarded by personnel from the Special Forces. The demonstrators also moved toward the gate but were held off by anti-riot police. Instead of entering through the main gate, the ambulance went through an alternative route. The demonstrators chased the ambulance as it speed down the main Sentani-Jayapura road. Their rampage continued to Abepura where they burned buildings and cars.

Indonesia: Opposition Leader Views Army Chief's Remarks

BK1803124796 Jakarta KOMPAS in Indonesian 18 Mar 96

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Yogyakarta, KOMPAS — Recent remarks by Army Chief of Staff R. Hartono that each ABRI [Armed Forces of the Republic of Indonesia] personnel should be a Golkar [Functional Group] cadre may reflect Golkar's uneasiness in the political arena. The Army chief's remarks may be meant to comfort Golkar and ask the group not to worry because ABRI will always support it.

PPP [United Development Party] Chairman Buya Ismail Hasan Metareum said this to reporters after he attended a meeting to mark the party's 23d founding anniversary in Sleman, Yogyakarta, on Sunday (17 March).

Present at the ceremony were Drs [academic title] Alfian Darmawan, head of the PPP Yogyakarta Regional Executive Committee; Colonel Subagyo, head of the Sociopolitical Affairs Directorate on behalf of Yogyakarta Governor Paku Alam VIII; Yogyakarta Police Chief Col. Darsono; and Lieutenant Colonel Sujarwo, chief of staff of the Yogyakarta Pamungkas 72th Police Area Command. [passage omitted]

In his speech, Hasan Metareum pointed out that an old-style political tactic, which he described as hooligan-style, has recently emerged. This can be observed from the exploitation of a given situation which forces members of political parties to quit. He said: "This includes efforts to persuade political party members to change allegiance and move to another party by offering overseas trips or certain amenities. If this hooligan-style tactic continues until the election eve, efforts to improve the quality of elections will be useless."

Meanwhile, speaking at a get-together session with reporters in Surabaya on Sunday afternoon, Lieutenant General Syarwan Hamid, chief of ABRI Sociopolitical Affairs, who was accompanied by Brigadier General Amir Syarifudin, chief of ABRI Information Service, discussed at length the army chief's remarks. "The statement was not an ABRI statement, but more like General Hartono's personal statement as a Golkar supporter. I have to clarify this so negative interpretation will not occur," Syarwan Hamid said, adding that the statement was not made as if ABRI was ready to attack others. "ABRI has no such plan. ABRI's concern is to ensure the continued implementation of national development for the benefit of the people and the country and not just for Golkar's or ABRI's sake. [passage omitted]

Indonesia: Rival Production of Timor National Car Ruled out

BK1803153896 Jakarta ANTARA in Indonesian 1600 GMT 15 Mar 96

[FBIS Translated Text] Jakarta, 15 Mar (ANTARA) — The government says there will only be one brand of national car in the domestic market, at least for the next three years, since the announcement of Presidential Decree No. 2/1996 on 26 February 1996. Speaking to foreign and local reporters in Jakarta on Friday, Industries and Trade Minister Tunky Ariwibowo said the government wants to see how far the national car program can go. Timor Putra Nasional Co. Ltd has been selected as the sole company to carry out the national car program.

"The government wants to see further developments in this national car program and will take follow-up actions," Tunky said.

Presidential Decree No. 2/1996 achieved a breakthrough in the national automotive industry, with a national car program that will result in the production of a national car by giving special facilities to the company selected for that purpose. The facilities include exemption of import duties for car components that are not produced locally, as well as an exemption from the luxury goods tax. Not all companies qualify for the special facilities because they apply only to an Indonesian-registered company that is wholly owned by Indonesian nationals. The government has selected Timor Putra Nasional Co. Ltd., owned by [President Suharto's second son] Tommy Suharto, which will work with South Korea's Kia Motor Company to produce a national car named Timor.

After the issuance of the presidential decree, [President Suharto's first son] Bambang Trihatmojo also expressed his readiness to produce another national car called Bimantara, through Citramobil Nasional Co. Ltd, an affiliate of the Bimantara Group, which will cooperate with South Korea's Hyundai Motors. Bambang actually meets the requirement because the Citramobil Nasional Co. Ltd. is wholly owned by Indonesian nationals.

Tunky stressed, however, that the government's latest stand does not mean that there will be a newcomer in the national automobile industry, because the government will adopt a policy based on the situation in the next three-year period.

Thailand

Thailand: U.S. Position on Taiwan-China Dispute Viewed

BK1603124396 Bangkok SIAM RAT in Thai 15 Mar 96 p 2

[From the "World That Has No Choice" column: "The United States and the China-Taiwan Issue"]

[FBIS Translated Text] As the global policeman, the United States finds it necessary to get itself involved in major issues, such as civil wars, the prostitution problem, child exploitation, human rights, AIDS, and numerous other issues. In any event, the United States deserves some sympathy because, as the global policeman, it must use every available means to mediate disputes, even though the disputing parties may feel that the position taken by the United States is not quite fair. No one, however, can say what the U.S. position should be in a given dispute because the disputing parties are not really looking for a compromise.

The major current dispute into which the United States has been dragged concerns Taiwan's wish to secede from China. This dispute has created tensions that could erupt into violence at any time as the 23 March presidential election approaches in Taiwan, and it appears that Li Teng-hui's reelection is virtually a certainty. For this reason, the United States has decided to use its status as global policeman firmly and to side fully with Taiwan by sending its aircraft carrier group close to Taiwan, indicating that China will find itself in trouble if it attacks Taiwan.

China does not want Li to be reelected Taiwan's president because he has a definite plan to separate Taiwan from China. Li, however, may suspend the plan if his election victory is less than overwhelming. For this reason, China has fired its missiles to intimidate the people of Taiwan against voting for Li.

The United States could find itself in an awkward dilemma by displaying its position. If it effectively prevents China from taking drastic measures against Taiwan, Taiwan could feel that it no longer has to respect China because it has U.S. support.

Another important issue concerns relations between China and other countries in the region. U.S. allies in the region know that the United States has military bases only in Japan and South Korea and no military bases in East and Southeast Asia. They may feel that, if China could attack Taiwan, it could do the same thing to them, and the United States would not be in a position to give them protection. Therefore, the best solution for them is to kowtow to China early. Several countries now have disputes with China over the Spratlys and the Paracels — the Philippines, Brunei, Malaysia, Taiwan, Japan, and Vietnam.

The U.S. position regarding the current Taiwan-China dispute is rather vague. It said it would dispatch two aircraft carrier groups to Taiwan. In reality, however, they are now merely anchored nearby. China could interpret this U.S. reaction as indecisive.

The U.S. presidential election this year and the Republican majority in the U.S. Congress make China feel that President Clinton's action toward China would be blocked by the Congress. If hostilities break out between China and Taiwan and the United States becomes involved, the United States will resort to economic measures against China, thus affecting the economies of both countries.

The problems in the region took root some time ago. The security issue in Asia has repeatedly given the United States a headache. Therefore, minor U.S. economic sanctions are not likely to work. If they were to work, the United States could suffer as much economically as the other party.

Many sides have begun to question whether the United States has the will it once had to solve security problems in East Asia. If it does not, they feel that China will take over this region in place of the United States.

Winston Lord, the U.S. State Department's Asia specialist, has said the United States is no longer interested in domination in Asia, adding that what it is doing is to teach China to learn to cooperate with other countries instead of harassing them.

Thailand: Daily Criticizes Taiwan, U.S. 'Interference'

BK1903155696 Bangkok ZHONG HUA RIBAO in Chinese 16, 19 Mar 96

[FBIS Summary] ZHONG HUA RIBAO carries two commentaries on 16 and 19 March on the tensions between China and Taiwan and U.S. interference on this issue.

A 450-word commentary by Ai Ying published on 16 March on page 8 entitled "Quarrel Between Brothers: The Enemy Will Be Happy" says that a broad coalition of legislators in the U.S. House of Representatives has introduced a non-binding resolution calling for Washington to aid Taiwan against any "military attack." The resolution, however, hypocritically calls on China to abide by the 1983 joint communique that calls for a peaceful solution to the Taiwan issue.

The commentary says: "China has maintained that it will resolve the Taiwan issue through dialogue and peaceful means. It expressed this clear stance to the world a long time ago, so why does the United States worry about it?"

It continues: "The situation will be aggravated if the United States really sends troops to defend Taiwan. The U.S. authorities know this fairly well. The Chinese military exercise is normal. Some people who have ulterior motives, however, have played up the issue in order to achieve their aims. Their wild ambitions are obvious."

According to the commentary, some academics in Taiwan have pointed out that sending two U.S. aircraft carriers to the area constitutes interference in cross-strait relations and that it will only complicate and aggravate the situation. The commentary says that the United States has a motive and then cites opinions by two associate professors criticizing U.S. interference on this issue.

In conclusion, the commentary says: "All in all, Mr. Li Teng- hui's independence efforts will not be popularly supported. He will be punished by history. The great reunification undertaking will not brook any obstruction or outside interference. China and its people will make great efforts to achieve the great undertaking of reunification at all costs."

A 500-word commentary by Xiao Lu published on 19 March on page 8 entitled "Whoever Invites a Wolf Into the House Will be Condemned by the Nation" says that there are many traitors in China's history, but they cannot escape just punishment in the end.

The commentary says: "There has been great progress in economic cooperation and cultural exchanges between mainland China and Taiwan in recent years. The Chinese residing in the country and abroad are happy about this and hope that the peaceful reunification of China will be realized one day. Li Teng-hui, however, challenged the 'one-China' principle during his visit to the United States by seeking a move toward independence. The United States also favors the 'Taiwan Independence' move. These are the causes of the tensions in the Taiwan Strait."

The commentary says: The United States, claiming to help defend Taiwan, has mobilized its warships near Taiwan, and this U.S. action will only aggravate the situation. It is obvious that the United States has its own motive, but Li Teng-hui, having the United States as his support, has forged ahead with his activities to split the motherland. His manner of inviting a wolf into the house and of seeking power by betraying the country is very dangerous, and it is time for him to wake up to danger at the last moment.

The commentary adds: The United States' motive is clear — triggering Chinese to fight against fellow Chinese. A unified and strong China is a big obstacle to U.S. expansionism and hegemonism. The United States does not want to see the reunification between the two sides. It wants the confrontation to continue so that it can sell outdated weapons to Taiwan while continuing to do business with China. It will gain an advantage from both sides and earn a big profit. It will be difficult for the Untied States to do business, however, if relations between the two sides are close and China is unified.

The commentary explains that Taiwan will be in an inferior position if the two sides draw swords against each other. The force seeking independence will be destroyed, and the Taiwanese people will be affected as well. It says that China has never been afraid of any intimidation, and the Chinese people will fight back tit-for-tat if the United States sends its troops. It is unlikely that the United States will dare to take a big risk.

In conclusion, the commentary says: "We, the overseas Chinese, do not want to see Chinese fight against fellow Chinese. We call on the authorities on both sides of the Straits to exercise self- restraint. The Taiwan authorities should examine themselves and immediately stop the 'Taiwan independence' efforts and adopt the 'one-China' stance. They should not become persons to be condemned by history. We also hopes that the Chinese Government's move to preempt the 'Taiwan independence' ambition be limited to an appropriate level."

Thai Government Denies Cancelling Amnesty Activists' Visas

BK1603121196 Bangkok BANGKOK POST in English 16 Mar 96 p 6

[Unattributed Report]

[FBIS Transcribed Text] The Foreign Ministry denied yesterday that it was asked by the Interior Ministry to annul the visas of Amnesty International activists who came to Thailand to launch the group's worldwide campaign against alleged human rights violations in China.

Interior permanent secretary Ari Wong-araya threatened on Thursday to blacklist Amnesty members for using Thailand to launch their campaign against human rights violations in China.

Thai Foreign Ministry Reproaches FCCT for Aiding AI

BK1603123696 Bangkok THE NATION in English 16 Mar 96 p A2

[Unattributed Report]

[FBIS Transcribed Text] The Foreign Ministry yesterday accused the Foreign Correspondents Club of Thailand [FCCT] of violating its own rules by allowing Amnesty International [AI] to use its premises to campaign against China.

The FCCT showed no respect for Thai sovereignty or the Thai government in allowing Amnesty International, a London-based human rights organization, to use its venue to harshly criticize Beijing for violating human rights, ministry spokesman Suraphong Chaiyanam said.

"The FCCT failed to recognize that the government has allowed it to use a building in Bangkok and to operate here," he said.

Police on Wednesday detained two Amnesty International activists as they were leaving their Bangkok hotel to address a press conference at the club on human rights abuses in China.

Anita Tiessen, the organization's media director, and researcher Pierre Robert were held at Bang Rak police station for 90 minutes while police examined their travel documents. By the time they were released it was too late to attend the press conference.

The international human rights organization has accused authorities of trying to silence them.

The ministry spokesman said article 4 of the FCCT's constitution stipulated that:

"The FCCT shall not lend its name to any cause, campaign, commercial venture, ideology or religious precept, nor shall it take sides in any internal political affairs or international relations affecting Thailand or any other nation.

"Nor shall members include mention of, or associate the FCCT with any individual communication without prior authorization of the FCCT."

He reiterated that Amnesty International should not have used Thailand as a stage to attack the Beijing government.

Suraphong said Thailand was also against any violation of human rights. "We will oppose any action deemed a violation of human rights values," he said.

Thai Daily Urges PRC To Explain Action Over Taiwan

BK1803053196 Bangkok BANGKOK POST in English 18 Mar 96 p 4

[Editorial: "China Must Explain Its Intentions Over Taiwan]

[FBIS Transcribed Text] Only one fact now appears clear after a weekend of confusing rhetoric over the China-Taiwan ruckus. Beijing is unwilling to give a simple answer to the simple, single question on everyone's mind. It is unfortunate the Chinese government have decided to conduct their Taiwan policy in this manner. However much they view "the Taiwan question" as an internal matter, their war games off the China coast have caused ripples throughout the area.

As last week ended, China announced the end of its missile tests after test-firing four missiles over the previous eight days. The M9 intermediate-range ballistic missiles are intimidating weapons, and the end of their testing was good news. As this occurred, Beijing made it clear it intended to go ahead today with live-fire military exercises even closer to Taiwan. But US military officials also made an announcement. They said Chinese officers had made it clear that the current war games were not a prelude to any immediate invasion of Taiwan.

The relief was obvious. Stock and money markets throughout the region and as far away as America and Europe reacted to what appeared to be a Chinese commitment to peaceful solution of its Taiwan problems. But within a day, China was carefully muddying the waters again. The US statement was "baseless," a foreign ministry spokesman said. "China has never promised to give up the use of force." This was clearly not a direct reply to the US statement. Nor was it a simple answer to the simple question: will China invade Taiwan during its war games this week?

China's desire to intimidate Taiwan voters and reverse any movement towards a declaration of independence for the island may be an internal Chinese problem. The chances of an imminent military attack on Taiwan by the Chinese army is another matter. China is acting selfishly by failing to take into account the ramifications of its words and actions on its neighbours, including Thailand. It also risks resentment from its neighbours because of the drawn-out tension created by its war games and refusal to address our concerns.

Prime Minister Banhan Sinlapa-acha will visit China next weekend, assuming war has not been declared in the meantime. He will arrive just as the Taiwanese election results are announced. He should make it clear to Chinese Prime Minister Li Peng and other senior Beijing officials how disappointed Thailand feels by being kept in the dark during the extended war games off Taiwan. Thailand has long hoped for, and supported, discussions between Beijing and Taipei to settle the nearly 47 years of differences between the two. By keeping us, and other neighbours in the dark, China is hurting itself.

Thailand: Burma Demands More Dredging of Border River

BK1603125296 Bangkok THE NATION in English 16 Mar 96 p A3

[Unattributed Report]

[FBIS Transcribed Text] Burmese authorities are demanding further dredging of the Moei River along the Tak-Myawadi border, dimming prospects for the reopening of border checkpoints before Prime Minister Banhan Sinlapa-acha begins a visit to Rangoon tomorrow.

The Burmese were still dissatisfied yesterday with Thai efforts to return the river to its original channel, after it was diverted by a 30-rai land reclamation project by Thai villagers.

Border authorities said the Burmese had voiced dissatisfaction with the work three times and were urging that the dredging be continued until they were satisfied.

Burma has made the restoration of the river channel a precondition to the reopening of the border crossing between at Mae Sot and Myawadi and the resumption of work on the Thai-Burmese Friendship Bridge.

There had been earlier indications the Burmese would reopen the border, closed early last year, as a gesture of friendship on the eve of Banhan's two-day visit.

Foreign Minister Kasemsamoson Kasemsi said yesterday there was a good understanding between the two countries on the question of reopening the border. "Don't indulge yourself in the historically- based perception that the Burmese are untrustworthy," he said.

Thailand: Two Border Checkpoints With Burma Reopened 16 Mar

BK1603124896 Bangkok Radio Thailand Network in Thai 0530 GMT 16 Mar 96

[FBIS Translated Text] The Thai-Burmese border checkpoints in Ranong and Chiang Rai Provinces were reopened this morning as a gesture of welcome to the Thai prime minister's official visit to Burma.

On 17 October 1995, General Chawalit Yongchaiyut, deputy prime minister and defense minister, appointed Gen. Chettha Thanacharo, deputy commander of the Royal Thai Army, as chief of the working committee for resolving problems concerning Thai-Burmese relations. The committee was directed to hold talks with Burmese authorities on the reopening of Thai-Burmese border checkpoints, which had been closed due to the chaotic incidents along the border. Gen. Chettha and high-level Burmese Government leaders met after that, held talks on this issue, and jointly inspected all the closed border checkpoints. Both the Thai and Burmese delegates agreed on reopening these border checkpoints.

The checkpoints were officially reopened today, beginning at 0600 with the one linking Thailand's Ranong Province and Burma's Kaw Thaung. At 0630 the same morning, the border checkpoint linking Burma's Tachilek and Thailand's Mae Sai District, Chiang Rai Province, was reopened. From now on, the peoples of the two countries can cross the border between countries for tourism or trading purposes as they did in the past.

Thai Prime Minister Says Burma Visit 'Big Success'

BK1903070496 Bangkok THE NATION in English 19 Mar 96 p A2

[Report by Piyanat Siwalo]

[FBIS Transcribed Text] Prime Minister Banhan Sinlapa-acha claimed yesterday that his two-day official visit to Burma was "a big success" as far as restoring bilateral relations and cooperation which have been strained for over a year due to several border incidents.

He said the two countries had agreed to bury the hatchet and start a new era of bilateral relations and cooperation.

The visit, the first in 16 years by a Thai premier since Gen Prem Tinsulanon's three-day trip in 1980, marked the beginning of a new chapter in bilateral relations between Thailand and Myamnar (Burma) in their efforts to further promote friendly relations and mutual beneficial cooperation between their two countries," a joint communique issued after Banhan's trip said.

Banharn suggested to Burmese leader Gen Than Shwe and other senior junta members on Sunday that the two countries should encourage more frequent visits at all official levels to promote understanding and strengthen ties.

Speaking on his return to Bangkok, the premier said he had been warmly received by both the ruling State and Order Restoration Council (Slorc) and the Burmese people, thus "reflecting the long existing close bond of friendship between the two countries".

He said he had reiterated his government's strong commitment to a statement made by Prem during his visit that the two countries "share a common destiny and that a prosperous and secure Burma is vital for Thailand's own stability and well-being."

In return, Than Shwe reaffirmed Burma's strict adherence to the five principles of peaceful coexistence and welcomed "the opportunity to consolidate and further promote the existing friendly relations between the two neighbouring countries".

Banhan said Thailand and Burma share a frontier that is over 2,000 kilometres long and it was difficult for both sides to oversee peace and security along it.

"Thus, any problems or conflicts that occur are not deliberate actions by either party, but unavoidable incidents," he said.

Thailand, he said, needed to reform its economic and cooperative "strategy" with Burma which should now promote additional visits to Thailand by Burmese leaders, and suggested that half-day trips to Burma should be organized so that leaders of the two countries could play golf.

Deputy Prime Minister Amnuai Wirawan, who accompanied Banhan on the trip, said he planned to accompany Thai ministers in charge of economic affairs on another visit in the near future.

Banhan said Burma had good economic prospects in the tourism and hotel industries, animal and farm husbandry, and telecommunications.

He assured Than Shwe that the Italian-Thai Development Plc, which has won a [Thai bhat] Bt3-billion bid to upgrade Mandalay airport to international standards, was a credible firm with no financial problems and that the Thai Exim Bank would grant a loan with the Burmese military government acting as guarantor.

The premier defended his decision to hurriedly push his Cabinet to consider and approve a loan request by the Italian-Thai company, saying that he would be visiting China next Tuesday.

Banhan expressed his gratitude that Than Shwe and other senior Slorc and Army officers agreed to his request for the release of 100 Thai fishermen who had been imprisoned in Burmese jails for fishing illegally.

The release was to commemorate the 50th anniversary of His Majesty the King's accession to the throne, he said.

Thai Daily Views Results of Banhan's Visit to Burma

BK1903081196 Bangkok THE NATION in English 19 Mar 96 p A4

[Editorial: Deeds Not Words Are Needed in Burma Ties"]

[FBIS Transcribed Text] After the Asean and Asia-Europe summit meetings in Bangkok, Prime Minister Banhan Sinlapa-acha was claiming another high-profile political success when he returned from a brief official visit to Burma.

His two-day trip, the first by a Thai premier in 16 years, took place only one day after the Burmese junta reopened the frontier with Thailand.

The Burmese move was widely applauded and welcomed by both the Thai government and the public as the Kingdom had been trying desperately for the past year to persuade the ruling State Law and Order Restoration Council (Slorc) to reverse its tough stand on the border.

To most Thais, the re-opening of the Burmese border crossings at Tachilek and Kawthaung came as a Burmese present for which Thailand should be grateful.

But the mood of self-congratulation at the end of the visit belied the reality of what had taken place behind the scene.

For months, top Thai army officers and senior government bureaucrats have shuttled between the two capitals, negotiating endlessly and intensively with Burmese leaders at all levels.

They eventually came to realize that unless Thailand met all the demands laid down by the Slorc, the Burmese frontier with Thailand would remain closed and the so-called Thai border economy would continue to suffer.

The Slorc shut down the existing three checkpoints of Tachilek, Myawadi and Kawthaung one after another because of growing dissatisfaction over a number of unfortunate incidents involving Burmese citizens, and frustration over Thailand's decades old policy of allowing ethnic guerrilla groups to operate along the Thai-Burmese frontier.

High-level army and government officials admitted last week that Thailand had eventually given in by complying to most if not all the Burmese demands, including huge amounts of financial compensation for the murder of Burmese fishermen last August and a lightning raid into Tachilek, allegedly from Thai soil, by opium warlord Khun Sa's Mong Tai Army [MTA] in March last year.

But they insisted that the money given to the Burmese did not come from government coffers but from contributions by local Thai businessmen in Ranong and Chiang Rai's Mae Sai who were feeling the pinch because of the closure of the Kawthaung and Tachilek checkpoints.

Deputy Army Chief Gen Chettha Thanacharo was the key figure in negotiating settlement of the problems and conflicts.

During his last three-hour trip to Rangoon on Feb 23, during which he met for about half an hour Slorc leader and powerful defence intelligence chief Lt Gen Khin Nyunt, Chettha was told that the Burmese would reopen Tachilek and Kawthaung on March 16.

But Khin Nyunt also mentioned that local Burmese people and authorities in those areas, who were still upset with the fishing murders and the MTA raid, expected to receive some financial compensation in return.

Despite an unreasonable initial demand of [Thai baht] Bt2.7 million for the Burmese sailors deaths and Bt34 million for the destruction of property and casualties in Tachilek, Chettha managed to settle for much lower amounts. Eventually, sums of Bt5.5 million and Bt3 million were handed over to the Burmese authorities.

At Tak's Mae Sot township, the Thai government early this month agreed to a Burmese demand that it dredge the Moei River channel and remove soil filled in years ago to help locals control the waterway. The move prompted the Slorc to agree to reopen the Myawadi crossing point on the other side of the river. The reopening is scheduled to take place today.

This last piece of compliance provoked strong public criticism of Banhan, with critics accusing the government of selling out Thai soil and doing anything, even with national interests at stake, to appease the Burmese.

Although Banhan and his big delegation of 50 members was given red-carpet treatment upon arrival in Rangoon, the trip was more a symbolic gesture than anything of real substance.

The signing on Sunday of the Thai-Burmese border trade agreement in Rangoon in the presence of leaders from both countries has yet to prove its legality or usefulness.

Thailand expects the agreement to serve as a guarantee that Slorc would not be able in the future to unilaterally close down the frontier without first informing Thailand.

Apart from meetings with top Slorc leaders including Gen Than Shwe, a practice which all state visitors are normally treated to, Banhan's trip was devised more or less as a photo opportunity.

Banhan was confident when he announced last week that all the disputes and problems with Burma would be resolved and relations between the two countries would return to normal as a result of his visit.

He added that the primary objective of his trip was to strengthen bilateral relations and to promote better mutual understanding between Thailand and Burma.

But the two countries need more than just exchanges of visits by leaders or paper documents to end the strong animosity and mutual mistrust that exists between them. Both sides have to prove their pledges with deeds and concrete action.

Thai Official: Indonesia Stalling Over AFTA Tariff Reductions

BK1803084196 Bangkok BANGKOK POST in English 18 Mar 96 p 20

[Report by Somphon Thapanachai]

[FBIS Transcribed Text] Indonesia has still not accepted 2010 as the deadline for tariff reductions on certain unprocessed agricultural products under the ASEAN Free Trade Area (AFTA).

Kroekkrai Chiraphaet, director-general of the Business Economics Department, said Indonesia told ASEAN economic ministers last December that it needed cabinet approval before it could agree to the deadline for tariff cuts.

However, Indonesia has still not received that approval.

ASEAN members had announced last year that cooperation under AFTA would be extended with the aim of zero-rating tariffs on unprocessed agricultural products traded among group members by 2003. Members were given the option of extending the tariff reduction deadline on certain sensitive items until 2010.

The inclusion of unprocessed farm products in the tariff reduction scheme has posed a major challenge for ASEAN cooperation since a majority in the group are farm producers and governments are faced with internal political pressure to provide sustained protection to farmers.

Indonesia had earlier backtracked by withdrawing 15 farm products previously on the inclusion list and instead placing them on the sensitive list.

ASEAN members have since agreed to give Indonesia some leeway by allowing the establishment of a special temporary exclusion list for unprocessed agriculture products.

The 15 items will be placed on this list which will be reviewed in 2003 to determine whether the goods should be placed on the inclusion list or allowed to remain on the sensitive list.

Mr Kroekkrai said members in the working group on agriculture had varying interpretations of 2010 as the target year.

While some members have argued that tariff reductions on sensitive farm products should take place in 2010, others simply want the group to hold more discussions in 2010 on how tariff cuts on sensitive products should be handled.

One department source has blamed Indonesia for interpreting the agreement in such a way that it will lead to a weakening of the spirit of ASEAN. "ASEAN cooperation may not make any progress if every member tries to distort the agreement to benefit itself," he said.

He said Indonesia's position had influenced two other members, the Philippines and Malaysia, which have since downplayed tariff reductions on farm products.

The Philippines has still not placed rice on any list in the tariff reduction scheme and Malaysia has recently added pineapples to its sensitive list after earlier withdrawing raw timber and tobacco from its temporary exclusion list and placing them on the sensitive list.

"Malaysia and the Philippines are waiting for Indonesia's final position so that they can follow suit," the source said.

Mr Kroekkrai said ASEAN ministers would discuss the issue at the upcoming AFTA [ASEAN Free Trade Area] Council on April 26 in Singapore.

The ASEAN economic ministers will also hold an informal meeting on April 27-28. The ministers will have an open agenda but are likely to discuss the ASEAN role in regional' and international forums such as APEC, the Asia-Europe Meeting and the World Trade Organisation.

Thai Daily: Kyoto APEC Meeting Achieved 'Precious Little'

BK1903075396 Bangkok BUSINESS DAY in English 19 Mar 96 p 4

[Editorial: "Lovely Words But Precious Little Action From Apec"]

[FBIS Transcribed Text] Lots of nice words but nothing of substance came out of the just concluded meeting of the finance ministers from 19 economies belonging to the Asia-Pacific Economic Co-operation (Apec).

The communique issued after the meeting stated that sound economic policies are important to stabilize the exchange rates of international currencies and that the central banks of Apec members should co-operate with one another. Bland truisms are hardly a sign of progress.

"We believe that maintaining the good record of economies in the region for fiscal prudence should go hand in hand with effective responses to social needs in our economies," the communique said.

Since Apec won't come into effect for over two decades, it's understandable that yearly meetings have been nothing more than symbolic get-togethers for the time being. However, there are serious obstacles to overcome if Apec is to succeed in the long-run, and it would be unwise to turn Apec meetings into photo opportunities and social events for much longer, for some of the toughest problems will get harder to solve as time goes by.

Ironically, the joint communique urging co-operation among the members of Apec was signed by both China and Taiwan. Apec is cleverly organized in terms of economies rather than nations, and so Hong Kong, Taiwan and China are all members. But a clever organizational format won't solve the problems between China and Taiwan now or 20 years from now.

Another long-term problem that needs immediate attention is Japan's reluctance to open up key markets. The US has been able to pry open a few of those markets, here and there, on the basis of bilateral negotiations, but each forward step has been excruciatingly slow, and threats of sanctions are occasionally needed to get even minimal results. Thus there should be a trade liberalization timetable with specific milestones set for all Apec members, and the time to negotiate on the timetable is now and not ten years or 15 years hence when the forces of protectionism will have become even more entrenched.

The Apec meeting in Kyoto also cited "the need to deepen and broaden domestic capital markets" and to make the needed regulatory changes "to attract private investment in infrastructure development." That is stating the obvious, of course, and with or without Apec the need for capital must be addressed now. There is, however, much that certain Apec members can agree to do now to ensure that international investments are geared towards long-term projects rather than short-term speculation. Skittish short-term foreign investments do far more harm than good to developing economies, and the sooner Apec tackles this problem head on, using actions rather than words, the better.

Thailand: Seychelles Leader Rene Said Seeking Treatment

BK1803051696 Bangkok BANGKOK POST in English 18 Mar 96 p 2

[Unattributed Report]

[FBIS Transcribed Text] Mystery surrounds the whereabouts of Seychelles President France Albert Rene who reportedly arrived in Bangkok to seek medical treatment.

Some western diplomats in Bangkok have quietly been carrying out an investigation over the past two weeks to find Mr Rene, who may have arrived from Nepal, said a diplomat.

It was not known when Mr Rene arrived in Thailand.

The Republic of the Seychelles has not conducted an official inquiry as it does not have a representative office here.

Informal inquiries have been conducted by some western embassies, the diplomat said, and Mr Rene has not contacted any government offices.

The Foreign Ministry's South Asia Desk last week denied any knowledge of Mr Rene's arrival.

The Republic of the Seychelles maintains only one representative office, the Permanent Mission of the Seychelles, at the United Nations in New York.

When asked, however, the Seychelles' UN office was unable to provide any information about President Rene.

Inquiries were also made at the Holy See and St Louis hospital in Bangkok where it was believed he may have sought treatment, but they denied any knowledge of his whereabouts, said the diplomat.

A French Catholic priest from the Paris Foreign Mission on Silom Road said last week the mission has no information about Mr Rene being in Thailand.

Mr Rene, 60, came to office in the Seychelles on June 5, 1977.

The Republic of the Seychelles comprises 86 islands in the Indian Ocean and has a population of less than 70,000, 95 percent of which is Roman Catholic .

Thai Police Find No Record of Seychelles President's Entry

BK1903050096 Bangkok BANGKOK POST in English 19 Mar 96 p 1

[Unattributed Report] .

[FBIS Transcribed Text] The mystery surrounding the reported disappearance of Seychelles President France Albert Rene deepened yesterday when police said checks had revealed he had not entered Thailand.

Mr Rene reportedly disappeared after arriving in Bangkok a few weeks ago to seek medical treatment and some Western diplomats have been quietly tracing his whereabouts.

But Special Branch Bureau commissioner Lt-Gen [Lieutenant General] Phat Chaksurak said yesterday he believed Mr Rene, in fact, did not come to Bangkok. If he did come, Seychelles would have contacted Thailand to provide security for its president, he said.

Pol Lt-Gen Phat said he had checked requests for police protection up until yesterday but found none from the Seychelles.

Immigration Police Bureau commissioner Lt-Gen Kiatisak Praphawat said he had checked immigration computer records from all checkpoints nationwide but found that there was no record of Mr Rene having entered Thailand.

Checks on entry lists in case the president did not use his real name also did not find a single citizen from the Seychelles who had entered Thailand in the past few weeks. Reports about the disappearance, therefore, were groundless, he said.

However, Pol Lt Gen Kiatisak said the police would continue to make further checks on Mr Rene's whereabouts because the disappearance reports could damage the country's reputation.

Thai Industry Ministry Urges More Exports To Solve Deficit

BK1803051396 Bangkok BANGKOK POST in English 18 Mar 96 pp 17, 27

[Report by Phutsadi Arunmat and Chatrudi Thepharat]

[FBIS Transcribed Text] The Industry Ministry and the Federation of Thai Industries [FTI] are cooperating to devise measures aimed at reducing the current account deficit.

The FTI, with a membership of 4,000 manufacturers, will meet today to consider what measures it can take, said chairman Chokchai Aksoranan.

Mr Chokchai and Industry Minister Chaiwat Sinsuwong held preliminary discussions last Thursday. One request made by the Government was for factories to accelerate their rates of production to increase exports.

One key to reducing the current account deficit is cutting the trade deficit, which jumped 9.8% year-on-year in January to 37 billion baht.

The Industry Ministry has established an overall export target this year of 1.6 trillion baht. To help industries reach this target, the Government plans tariff cuts on raw material imports used in manufacturing goods destined for export.

Still, it is not certain how effective any measures will be in controlling the deficit as Thailand continues its transition to an industrial society.

It is worth noting that Industry Ministry studies have shown that several sectors — notably textiles, pharmaceuticals and processed food — are inefficient and cannot yet compete effectively in the world market.

Mr Chokchai said increasing export values would require a number of measures including reducing investment costs and boosting market access overseas.

He singled out existing Customs bureaucracy as one obstacle for exporters and manufacturers. Most manufacturers are forced to wait many months to receive refunds of import duties on raw materials used for the manufacturing of export products.

The Industry Ministry has proposed to establish a central bonded warehouse for manufacturers who import raw materials, which is hoped to expedite customs clearing procedures. However, the concept requires the approval of the Customs Department.

The federation and the Industry Ministry have also discussed the possibility of promoting the local construction industry in foreign markets. Once a construction contract is signed, project financing and cash inflow would be credited as raising the country's income.

The FTI has also suggested the Government set up a central warehouse to support export activities. The Industrial Estate Authority of Thailand is studying the feasibility of establishing such a warehouse in an export promotion zone.

Thai Air Force Secretariat Notes Modernization Activities

BK1903081796 Bangkok SIAM RAT in Thai 17 Mar 96 p 3

[Article by Air Force Secretariat on 81st Anniversary of the Royal Thai Air Force]

[FBIS Translated Excerpt] The Air Force designated 27 March as Air Force Day to honor 27 March 1914, when the Army Air Section moved its headquarters to Don Muang. The aviation sector began its development from that day, becoming the Army Aviation Department, then the Air Force Department, and finally the Air Force on 9 April 1937.

Starting with eight biplanes, the Air Force now has 360 assorted types of aircraft in 22 airwings, and some 57,000 airmen to carry out responsibilities in accordance with the policy assigned by the government, the Defense Ministry, and the Supreme Command to maintain national security and the economic situation, particularly vis a vis neighboring countries.

Aware of its responsibility and knowing government policy, the Air Force has set a concrete direction for its modernization program, as follows:

It developed and modified combat aircraft currently in use to raise their capabilities by installing navigation gear, early warning radar, and weapon firing control systems on F-5E/F's, and adding special navigation gear and night fighting equipment in the second squadron of F-16A/B's.

To acquire greater air transport capability to serve both the Air Force and other branches of the armed forces, the Air Force plans to procure C-130 large cargo aircraft and G-222 medium-size cargo planes, considering their cost effectiveness, safety and mission suitability.

Air-to-air and air-to-ground weapons presently in use by the Air Force have limited capabilities and are unsuitable for the current situation. The Air Force needs modern weapons appropriate to the capabilities of its aircraft. It plans to acquire weapons systems that could be used against remote targets in both air-to-air and air-to-ground operations, the latter to reduce the risk of danger from enemy ground weapons.

The Air Force takes into account enemy aircraft which have high target seeking and self-defense capabilities for the protection of its air bases. In this regard, it has acquired antiaircraft equipment which have high capability and efficiency that include radar warning and firing control systems.

The Air Force is responsible for overall air defense. It operates air warning and control systems to detect aircraft violating Thai airspace. It develops and installs a computerized system which enables command and conduct of air operations to be made correctly and on time. Installation of the air defense system for the northeastern region has been completed. The southern region will get a system next in compliance with government policy on protection of national interests at sea.

Manpower development is the heart of Air Force development. Due to rapid development of high technology weapons and other defense equipment, manpower development must proceed accordingly through improved education and training and observation tours to gain new skills and experience both in Thailand and abroad. [passage omitted]

Regarding relations with allies, although the current situation surrounding the country is relatively peaceful and free of threat, the Air Force carries out continuing deterrence and defense measures to watch the airspace and maintain readiness around the clock. It organizes annual joint air exercises with the air force and armed forces of allied countries to coordinate operations and exchange combat techniques and tactics. Joint exercises include Cobra Gold with the U.S. Air Force, Thai Boomerang with the Australian Air Force, Balance Torch with the United States, Air Thamal with the Malaysian Air Force, and Cope Tiger with Singapore Air Force and U.S. Army and Air Force. There are also regular exchange projects involving representatives of various branches of the Thai armed forces and allied forces, thus strengthening bilateral and military relations. [passage omitted]

Regarding structural development to suit its mission and new technology, the Air Force is considering establishment of three commands: an air operations command, an air support command, and air training and education command.

The air operations command will be responsible for issuing combat instructions and commanding combat units of the Air Force. Its task is to prepare air, ground, and tactical air control units to carry out operations as assigned by the Air Force.

The air support command will be responsible for commanding combat support activities and air service units. It will be in charge of all logistic operations.

The air training and education command will command all training and education activities.

Each of the three commands will group together units whose work is similar in nature, thus enhancing unified command and speeding up the process of issuing orders for timely tactical air operations, and ensuring flexibility in logistic work. Commanders will have instant information on the logistic situation, thus enabling them to rectify any problem in a timely manner.

Regarding the information system, the Air Force has established an information system for senior level officials at Air Force Headquarters, enabling them to follow up on information to help in decisionmaking and ordering instructions correctly and in a timely manner, and enhancing their administration efficiency. The Air Force plans to set up an information system linking its control, tactical, and logistical systems, and eventually linking it with the Supreme Command and other branches of the armed forces. [passage omitted]

Thai Defense Ministry Confirms Satellite System Bid Plan

BK1703102196 Bangkok THE SUNDAY POST in English 17 Mar 96 p 2

[Unattributed report]

[FBIS Transcribed Text] Deputy Prime Minister Thaksin Chinnwat's opposition to the planned defence satellite system has had no effect in forcing the military to have a change of heart regarding the issue.

Defence permanent secretary Phaibun Emphan confirmed yesterday that the Defence Ministry would go ahead with its plan to call an open bid for a 26-billion-baht military satellite system as studies show the project is worth the investment.

Mr Thaksin earlier questioned the need for Thailand to pay such a high price for the system as the country's two ThaiCom satellites, operated by the Chinnawat Group which he owns, are suitable for both commercial and military purposes.

Mr Thaksin also said the price of the system was too high, saying ThaiCom 3, which has not yet been launched, costs much less at 4 billion baht.

The Phalang Tham Party leader warned the Government to seriously consider the project before spending taxpayers' money on it. Such a huge investment might also cause budgetary problems for future governments, he said.

Gen Phaibun, however, said opposition to the project came from people who would lose benefits if it was realised .

"The owners of the ThaiCom satellites may have become dissatisfied because they think we want to compete with them," Gen Phaibun said.

The planned satellite system would mainly be used for military purposes. ThaiCom is a civilian satellite which can not be used for such purposes, he insisted.

The defence satellite system, named Star of Siam, would comprise two satellites: two master control stations and a series of fixed and mobile ground terminals.

The first satellite would be launched in 2000 and the second one three years later. Each would remain in service for 12 years.

Gen Phaibun said the Star of Siam system is worth the investment because it is capable of operating on two frequencies: the X-band, which is reserved for military use, and the KU-band, meaning its footprints can cover large areas on earth.

Gen Phaibun said the satellites would also be used for commercial purposes.

He denied, however, that the military intended to use the system for business purposes, saying any commercial gains from it would go to the Finance Ministry.

Gen Phaibun said the Defence Ministry was putting national interests above all other considerations in pushing to procure the system.

"There might be one person in the Government who doesn't accept it. But we have to look at the benefits it would bring to the armed forces and the country"

He denied he was attacking Mr Thaksin, saying he only wanted to protect national interests.

He said the bidding would be open to interested companies until September.

A committee is to be set up to oversee the bidding contest for the project which has already attracted the interest of companies from such countries as the United Kingdom, France, the United States, Israel and China.

The deal would be undertaken on a government-to-government basis.

Gen Phaibun said the open bid would create high competition among companies vying for the contract and enable Thailand to buy the satellite system at a reasonable price.

The bidding was reportedly called in order to stop intense lobbying of key military figures by certain foreign companies hoping to secure the deal.

Gen Phaibun said British Aerospace Defence Ltd was the only company that has shown a keen interest in the project since it was first announced three years ago.

Only recently have other firms approached the Defence Ministry on the project.

Thailand: Project Chief Discusses Military Satellite

BK1803104496 Bangkok BANGKOK POST in English 18 Mar 96 p 4

[Article by Soemsuk Kasitpradit: "Project Head: Satellite Offers Best Means of Coordination"]

[FBIS Transcribed Text] Air Marshal [AM] Wira Kanhasiri's expertise in computer software and telecommunications technology is widely recognised in military circles so it came as no surprise when he was named director of the Defence Technology and Telecommunications Centre where he will supervise the 28-billion-baht military satellite project.

The centre was established late last year at the order of Defence Minister Gen Chawalit Yongchaiyut to facilitate the ministry's proposed satellite project aimed at enhancing the Armed Forces' communications system.

"Formerly, there were several agencies conducting studies on the project and this had caused confusion," said AM Wira, 53. "The formation of the centre will help facilitate and implement the military satellite project."

AM Wira dismissed rumours that he was selected as the centre's first director because of his close connections with the Defence Minister.

"I've never worked with him before," he said, adding he had been involved with the military satellite project from its initial stages and this was the probable reason why his direct superiors picked him as the director.

AM Wira was born on May 12, 1943, and received his master's degree in electronics engineering in 1978 from England's Salford University. He is known among his colleagues in the Air Force as an electronics expert who earns extra income by making and selling electronics designs.

His main hobby is conducting research into computer software and microwave techniques.

"Since childhood, I have been interested in electronics and I learned a lot about it from my father.

"I grew up in the Air Force as a pilot at the Takhli-based 4th Wing. It was former supreme commander ACM [Air Chief Marshal] Woranat Aphichari who shifted me to the Supreme Command to get involved directly with the military telecommunications unit," said the former commander of the Takhli-based 404th Squadron, a post he took up in 1985.

In 1988, he was appointed the 4th Wing's chief-of-staff and three years later was promoted to director of the Air Force's Military and Strategic Air War College.

AM Wira, asked why he was shifted to the Supreme Command, said the former supreme commander needed a person with expertise in electronics technology and computers to look after the military telecommunications system.

ACM Woranat appointed AM Wira director of the Supreme Command's Military Telecommunications Centre looking after the military telecommunications system, including the military satellite project which was initiated in 1989 when Gen Chawalit was the supreme commander.

He was named deputy director of the Supreme Command's joint communications a year later before being shifted to his present post last October.

"A number of feasibility studies were conducted by the Armed Forces into the military satellite project after the idea was initiated. The satellite is the only answer in helping us effectively tackle the Armed Forces' communication problems," argues AM Wira.

The defence plan calls for the military satellite project, tagged the "Star of Siam", to be made up of three satellites, two master control stations and a series of fixed and mobile ground terminals. The first satellite will be launched officially in the year 2000. The system will cost around 28 billion baht.

There will be two frequency bands — an X-band for military use and a Ku-band for other state agencies.

AM Wira said the satellite will cover one-third of the Earth's surface encompassing the ASEAN region the Indian Ocean and the western Pacific region.

Thailand and its border regions will be covered by high gain X-band and Ku-band beams.

AM Wira said two areas had already been selected for the two master control stations. The first site will be in Nakhon Nayok, Prachin Buri, Saraburi or Lop Buri, while the second is likely to be either Rayong or Kanchanaburi.

The master stations will form the core of the ground network, controlling voice and data traffic between the ground terminals. The two master stations will be set up before the initial satellite launch. They will incorporate a satellite control centre capable of monitoring, operating and manoeuvring the satellite.

AM Wira said the military had invested nearly 10 billion baht over the past 10 years in modernising its telecommunications system using fibre optic and cable networks.

"It is quite clear that telecommunications systems using cable networks can be developed no further and have many shortcomings. We have installed around 8,000 lines but this is still not enough. The problem is that we need a cable network to establish the system."

He said the military satellite was quite different as no cable network was needed and it would help improve communications and the coordination of the Armed Forces as well as military exercise planning and forces management.

"The military satellite system can serve around 35,000 users and 8,000 other users can be given to other non-military agencies.

"The military satellite could help ensure that the three armed forces have the same standard communications equipment. This will improve the Armed Forces' communication system as a whole. This is the basis for military thinking on why we need the military satellite system," said AM Wira, adding that the system was not for sole use by the military but all state agencies wanting to improve their coordination.

He said it was unlikely the communication problems affecting the Armed Forces could be tackled effectively without the satellite system, especially navy forces conducting blue water operations and activities in jungles or other remote areas.

"To conduct joint battle operations involving the three armed forces we need the same standard communications system. And it must be totally reliable. The military satellite can meet this need."

AM Wira said a lot of progress had been made since the project's inception in 1989 and it had received the support of the last administration under Chuan Likphai, who had been thoroughly briefed.

"The former premier said his administration was ready to support the project as it is directly related to national security," said AM Wira.

The director said the project cost so much at 28 billion baht because the military had to take direct responsibility for launching the satellites as well as building the ground stations and a number of fixed and mobile ground terminals.

"We have to pay for the whole system. This is quite different to private companies which launch civilian satellites as they do not have to pay for the construction of ground stations. These cost around 60 percent of the total outlay for the system."

AM Wira said the Armed Forces had already rejected the idea of renting civilian satellites as the private operators set too many conditions which the Armed Forces could not accept.

"They demanded that we had to change our communications system within three years to be in line with company guidelines. This would cost the Armed Forces a lot of money."

The director said the Armed Forces needed a satellite system that was totally reliable under all circumstances.

"Renting civilian satellites would save money, but it would also pose many problems for military use."

AM Wira closed by saying the country would have to spend more than the 28 billion baht needed for the satellite system over the next decade if it wished to modernise its outdated communications system by means other than its own satellites.

Thailand: Effects of Military Satellite Plan Analyzed

BK1903131696 Bangkok PRACHACHAT THURAKIT in Thai 18-20 Mar 96 p 37

[Unattributed commentary: "Keep an Eye on Military Satellite — A Hot Project of Banhan's Government and a Proxy War Between Telecommunications Business Operators"]

[FBIS Translated Text] General Chawalit Yongchaiyut's policy of streamlining the armed forces has been revived since his return as defense minister. The "Satellite Communications For National Security Project," or the so-called military satellite project, worth some 28 billion baht and aimed at enhancing the efficiency of the armed forces is being formulated and readied for cabinet consideration.

Being such a huge project, there are many obstacles. First is a dispute between Gen. Chawalit and Police Lieutenant Colonel Thaksin Chinnawat. The latter feels obliged to oppose the project because he is the holder of a concession operating Thaicom satellite. Gen. Chawalit anticipated Thaksin's position, but the real hurdle he has to overcome is how to gain acceptance of the entire cabinet.

Moreover, the project has been plagued by doubts as to whether its real objective is national security or commercial interests. Air Marshal Wira Kanhasiri said in a 12 February interview that technically speaking, the military satellite, with its KU-band capacity, can provide commercial television services if given legal approval. If the government allows commercial service the satellite can generate revenue for the country. However, he said that such a service is unlikely because the private sector is prohibited from using the X-band, unless relevant laws are rectified.

The project stipulates that there will be two satellites, called Siamsat. The first will be launched in the latter part of the year 2000. The second could be merely a reserve satellite or an operational one depending on workload requirements at the time of its launch three years later. The lifespan of the satellites is 15 years. The project will require budget obligations for 10 years beginning with the 1997 national budget.

The military satellite will be three times bigger than the Thaicom satellite. Among others, it will have two 27-megahertz transponders in the KU-band capable of accommodating 20 television channels, using signal compression technology. Five channels are to be used by the Supreme Command, the Armed Forces, and government units, while use of the remaining channels will be specified at a later date. Gen. Chawalit so far could not answer what the remaining channels will be used for — by whom and for what kind of business.

A Supreme Command paper produced to explain current telecommunications problems to the armed forces states in part: "The telecommunication business requires little capital investment when compared with yielded profits. Therefore, the current operator does not want competition from new operators for fear of a cut into his profits."

The term "current operator" could not be mistaken for anyone else but the current holder of the satellite concession — Chinnawat Satellite Company of Thaksin Chinnawat. Therefore, sole opposition to the military satellite project has come from Thaksin so far. In any event, the proxy war between telecommunications business operators has essentially begun. This is because if the military satellite project becomes reality, surplus transponders that remain after use in security-related missions would certainly be utilized. Since they were already paid for, it would be unwise not to make use of them for national revenue. Tenders would certainly be called to allow their use for commercial purposes.

A question arises: Is it right for the government to compete with the private sector in the current free trade era? If the Defense Ministry is to make use of the remaining transponders, the obvious choice is to allocate them to the interested private sector as concessions. Several private groups are now ready to enter the communications business, such as the Charoen Phokphan group which currently has to wait until expiration of the Thaicom satellite concession.

If Gen. Chawalit succeeds in gaining cabinet approval for the military satellite project, he will have succeeded in killing two birds with one stone. That is, the project would reap both security and commercial benefits.

The prime minister and the cabinet will not be able to ignore the military satellite project for long because it will have to be deliberated by the cabinet in time for preparation of the 1997 national budget, which begins in October. If Banhan cannot comply with the armed forces' wish regarding the project, the gap in government relations with the armed forces will widen, as was the case with the Navy's submarine acquisition project. The support it now enjoys from the armed forces could erode, not to mention support from Gen. Chawalit, with his influence among military leaders and his control of the New Aspiration Party which commands 57 votes in parliament.

The military satellite project is a big time bomb that Banhan will have to handle very carefully.

Thai BOT Chief Urged To Resign Over Unethical Behavior

BK1803111496 Bangkok BANGKOK POST in English 18 Mar 96 p 21

[Commentary by Patthanaphong Chantharanonwong: "Embattled Wichit Could be Nailed for Unethical Behavior"]

[FBIS Transcribed Text] Three is no law prohibiting the Bank of Thailand [BOT] governor from investing in listed stocks.

As an individual, the central bank governor should have the right to invest in any organised market.

Legal aspects may not be a problem, but it is a question of ethics.

If Governor Wichit Suphinit was not assigned to be a director of Siam City Credit Finance (SCCF), would the company allocate shares to him? Surely not. The company allocated shares to him just because he was a Bank of Thailand representative not because he was Mr Wichit.

Although Mr Wichit has tried to defend that his investment in stocks is on a long-term basis and that he has no influence in directing stock movements, his defence is not acceptable.

Firstly, a central bank governor is an ex-officio director of the Securities and Exchange Commission [SEC], the stock market watchdog. Any measure implemented by the SEC has an impact on stock market movements, therefore, Mr Wichit is always in a position to know what will happen to the stock market before other investors.

Worse than that, the meeting of the SEC in approving SCCF's listing in 1993 was chaired by Mr Wichit because the then-finance minister was not available to chair that meeting.

If Mr Wichit was not self-centred, as he portrays himself, he should have postponed consideration of approving the listing of the company and let the finance minister take a decision on the matter in a rescheduled meeting without his presence.

Instead of doing that, he continued to chair the meeting and approved the listing of the company.

Although Mr Wichit may not be taking his personal benefit into account in considering the approval for the company's stock to be listed, there are, more or less, conflicts of interest.

Closing price of the stock on Friday was 102 baht, which means listing of the company helps Mr Wichit earn more than 10 times what he had invested.

Secondly, the central bank can implement any monetary measure to encourage or discourage stock investment. For example, it decides the rate of initial margin and maintenance margin. The change of these rates could change market sentiment overnight.

Thirdly, although Mr Wichit claimed he is not directly responsible in supervising financial institutions, as a central bank governor he can access all confidential information of any financial institution in this country.

While the general public was told what the Bank of Thailand wants it to know Bank of Thailand officials particularly the governor, are in the position to know what the public cannot access.

For example, when First City Investment Plc was in financial trouble a few years ago, its financial statements submitted to the Stock Exchange of Thailand, which were to be revealed to the public, showed the company was very profitable. But only central bank officials knew the company was in trouble.

Therefore, it is not acceptable for Mr Wichit as a central bank governor, to invest in the stock market.

The standard of the central bank in defining the period of long- term investment is very peculiar.

While the Government, including the Bank of Thailand, has tried to convince small investors that investment in the stock market should be long-term — at least longer than one year — and not on speculative basis, the central bank itself defines long-term investment for its officials as only one month, claiming if central bank officials are required to hold stocks they have invested in longer than one month, it would be unfair to them because the stock market is very volatile.

If the central bank, as the country's monetary policy makers, has a vision like this what is the hope for Thailand?

Mr Wichit should admit that the Bank of Thailand's credibility and image are at the lowest in the regime of his governorship. It is not, however, that the institution is bad, but that the governor is not acceptable to the public.

Not having to discuss the Ekamon case, the Bangkok Bank of Commerce controversy, the ineffectiveness in implementing monetary policies in combating inflation and current account deficit, and the inaccuracy in forecasting key economic indicators, Mr. Wichit's credibility has been zero from the SCCF share case alone.

If Mr Wichit is responsible, he should resign.

Vietnam

SRV Foreign Minister Nguyen Manh Cam Visits Iran

BK1903085096 Hanoi VNA in English 0730 GMT 19 Mar 96

[FBIS Transcribed Text] Hanoi VNA March 19 — Iranian Foreign Minister A. Velayati has invited Foreign Minister Nguyen Manh Cam to the inauguration ceremony of the railway route linking Iran with Turkmenistan and Middle Asian countries. The invitation was extended recently to Mr. Cam by Mr. Ahma Louian Geveiou [name as received], director of the Department for Southeast Asia of the Iran's Foreign Ministry and special envoy of Foreign Minister A. Velayati.

At the meeting, the Vietnamese Foreign Minister and the Iranian diplomat also exchanged views on measures to promote the friendship and cooperation between the two countries, especially in the economic field.

SRV: Lao Party Chairman Receives SRV Party Delegation

BK1903081496 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 17 Mar 96

[FBIS Translated Text] Comrade Khamtai Siphandon, chairman of the Lao People's Revolutionary Party [LPRP] Central Committee and prime minister of the LPDR, received Comrade General Secretary Do Muoi and other members of the high-level delegation of the Communist Party of Vietnam [CPV] attending the Sixth LPRP Congress yesterday afternoon.

On behalf of the Lao party leadership and the Lao Government, Comrade Khamtai Siphandon, warmly welcomed the arrival of the high-level CPV delegation headed by Comrade General Secretary Do Muoi to attend the Sixth LPRP Congress, saying that this manifests the close special friendship and unity and the all-round cooperative relations between the two parties and two peoples, and that this also serves as a great source of encouragement for party cadres and members, and the multiethnic people of Laos.

Chairman Khamtai Siphandon briefed Comrade General Secretary Do Muoi and his entourage on the preparatory process for the Sixth LPRP Congress.

Chairman Khamtai Siphandon thanked Comrade General Secretary Do Muoi for his best greetings to the LPRP Congress and pledged to do his utmost to make the special relations of friendship and unity between the two parties, states, and peoples of Laos and Vietnam continue to develop more steadily.

On behalf of the Vietnamese delegation, Comrade General Secretary Do Muoi expressed his joy at attending the Sixth LPRP Congress and thanked the Lao party and state and the Vientiane people for having accorded a warm welcome filled with fraternal unity to the high-level CPV delegation.

Comrade Do Muoi highly valued the great achievements recorded by the Lao multiethnic people during the reform process. Comrade Do Muoi said: The Sixth LPRP Congress has a very important significance as it takes place at a time when the LPRP is celebrating its 41st founding anniversary, 22 February. It is a great source of encouragement for party cadres and members and the multiethnic people of Laos in their national construction and defense.

Comrade Do Muoi wished the Sixth LPRP Congress a fine success and expressed his belief that by uniting around the party, the Lao multiethnic people will certainly be able to satisfactorily fulfill all tasks to be set forth by the congress to move Laos forward.

Comrade Do Muoi said emphatically that the two fraternal peoples of Vietnam and Laos are determined to carry out the teachings of Presidents Ho Chi Minh and Kaysone Phomvihan by revamping the special relations of friendship and unity between Vietnam and Laos, and by continuing to build their respective countries into prosperous ones.

On this occasion, Comrade Do Muoi handed Chairman Khamtai Siphandon a message of greetings from the CPV Central Committee to the Sixth LPRP Congress and a portrait of President Ho Chi Minh with a caption saying "To the Sixth LPRP Congress".

SRV Commentary Views German Development Cooperation Program

BK1903013796 Hanoi Voice of Vietnam in English 1000 GMT 18 Mar 96

[Station commentary]

[FBIS Transcribed Text] Vietnam and Germany signed the minutes on development cooperation program for 1996 in Hanoi during the visit to Vietnam by the German State Minister for Economic Cooperation Wighard Haertl. Under the program, Germany will provide Vietnam with short-term loan worth DM102 [German mark] million, mostly for rural development projects and [word indistinct] activities. Of the loan, DM17 million is nonrefundable aid, and the remainder is preferential loan covering 40 years with a 10-year grace period. The long-term loan goes to: running water supply project in Viet Tri Town, 60 km northwest of Hanoi; family planning projects; personnel training; natural resources maintenance; and small-sized production.

The two countries also signed another agreement on the implementation of aid development projects in railway, personnel training, forestry, and anti-malaria. Germany is committed to continue its assistance to the integration program of Vietnamese returnees from Germany.

The signing of this minutes highlights for cooperative corporations coming from the German Government for Vietnam's national construction and development. [sentence as heard]

State Minister Wighard Haertl said: Vietnam's political stability achievements in the current process of renovation, as well as the improvement in the people's daily life, contributed to the increase in German aid to Vietnam. Cooperation between Vietnam and Germany and German business corporations in Vietnam are in initial but positive stage. The visit to Vietnam by the German state minister for economic cooperation will contribute to the progress of cooperation between the two countries.

SRV: Phan Van Khai Addresses Assembly

BK1603144396 Hanoi NHAN DAN in Vietnamese 3-4 March 96 pp 1, 3, and 4

[FBIS Translated Text] On behalf of the government, I would like to warmly welcome those delegates attending this National Assembly session, which is being held amid a happy atmosphere of welcoming the spring season with new confidence and hope in the face of the new progress that can be felt by everyone in the economic and social life, as well as in political security and public order.

Immediately after the eighth session of the National Assembly (in October 1995), the government undertook many activities aimed at fulfilling the 1995 economic plan and making active preparations for the deployment and implementation of the 1996 tasks in accordance with the National Assembly's resolution.

During the two final months of 1995, the government urgently resolved various financial, monetary, pricing, and investment capital-related problems in order to spur production, build the infrastructure, promote the flow of goods, exports, imports, and foreign economic relations, and satisfactorily fulfill the 1995 economic development target. The deployment and implementation of the 1996 tasks has also been undertaken in an urgent fashion, with a determination to effect new changes right from the beginning of the year to overcome decisively the relaxed mode of production and construction, the happy-go-lucky mode of budget collection, and those heavy price fluctuations that used to habitually occur each year in the few months before and after the Tet New Year.

In its 1995 year-end meeting, the government scrupulously reviewed and analyzed the progress on this, as well as shortcomings and weaknesses in the operational guidance, and set forth countermeasures in its 1996 program of action. All the decisions on operational policies and measures regarding plans and budget and on the management of exports and imports in 1996 were promulgated before the new year. Planned targets for and budget allocations to the various localities and sectors at the central level and to major corporations were officially delivered to these entities through meetings with each relevant unit. Measures to ensure a balance between supply and demand and price stability during the Tet New Year were carried out in a uniform fashion. The deployment of a movement to ameliorate the cultural environment and dispel social evils was undertaken at an early date, along with efforts to continue to inspect and spur the scrupulous enforcement of government policies to ban firecrackers and maintain traffic order and safety.

During the New Year, the government convened a conference of people's committee chairmen of various provinces and cities in the country to discuss and to thoroughly understand various policies and measures designed to implement the 1996 tasks. The prime minister and the deputy prime ministers met with the leading cadres of various provinces in the Mekong River Delta to discuss guidelines and measures to fight flash floods in line with appropriate notions and to take full use of the advantages and overcome the disadvantages of the natural elements. They also met with various central highlands provinces to determine the guidelines for the development and exploitation of the advantages of the central highlands region in line with open-door economic concepts and also held working sessions with leaders of Ho Chi Minh City, Hanoi, and a number of provinces to examine long-term projects and development plans for the period from now until the year 2000 and those issues to be resolved in the period ahead. The prime minister and the deputy prime ministers also personally discussed with various ministries and sectors the deployment of many tasks involving various areas — economic, cultural, educational, public health, social, national defense, security, and foreign relations — and to monitor the pace of construction at a number of key national projects in order to ensure satisfactory implementation of the 1996 tasks. They also met with various major state-run corporations and were preparing to meet with many business enterprises belonging to various economic components in order to continue to find out measures to further develop dynamism, creativity, and resources for the purpose of achieving economic growth and improving economic results.

The foreign relations-related activities of the party and the state over the past few months have continued to expand and have achieved important successes. Prominent examples were: The visits by General Secretary Do Muoi to China and Laos; the visits by President Le Duc Anh to Brazil, Cuba, and the Philippines; the visit by National Assembly Chairman Nong Duc Manh to Japan; activities of President Le Duc Anh while attending the summit meeting of nonaligned countries and the United Nations' 50th anniversary; the participation in and active contributions by Prime Minister Vo Van Kiet to the ASEAN and the Asia-Europe Summit Meetings; and the welcoming functions held for the heads of the Governments of Cambodia, Malaysia, New Zealand, Germany, Belgium, Cuba, Togo, and high-ranking officials of many other countries who came to Vietnam for working visits. Various contacts and exchanges of views were held between our party leaders and the leaders of the ruling parties and socialist parties of a number of countries.

These activities have contributed to strengthening friendly relations and bilateral international cooperation. Worthy of note are: the resumption of the two Sino- Vietnamese rail links with China, which will promote better relations with China; the timely and appropriate resolution of newly-arising issues related to the Vietnamese-Cambodian border; the conduct of economic and trade talks with the United States following the normalization of relations; new advances in the participation in ASEAN activities and in the process of shaping up a free trade area — AFTA; and efforts to seek international financial assistance and to prepare to host a Francophone summit meeting.

In addition to these favorable developments in international relations, our country must continue: to patiently resolve border disputes through peaceful means, as there have been many complex developments, particularly in the Eastern Sea [South China Sea]; to overcome obstacles in relations with the United States; and to remain alert in stamping out the sabotage and slanderous activities of those forces that are hostile or unfriendly to our country.

In this report, on behalf of the prime minister and the government standing board, I would also like to provide some outlines of the socioeconomic situation in 1995 and those prominent issues arising in the implementation of the resolution of the eighth session of the National Assembly on tasks for 1996. As this is a supplementary report, it cannot present the situation and tasks as fully as was done in the government report already presented to the National Assembly at the previous session. Those issues mentioned in this report will only be discussed generally, as the concrete contents and detailed figures were aleady presented in the reports of the Ministry of Planning and Investment and the Ministry of Finance, which have been approved by the government and sent to National Assembly deputies.

I. The Situation on the Implementation of 1995 Planning

Comparing assessments outlined in the government report presented to the National Assembly in early October 1995, the result of the implementation of combined targets outlined in the 1995 planning has not changed. The results from 1995 show the economic development rate increased 9.5 percent over 1994 for the gross domestic product, 14 percent for the industrial output, 4.7 percent for the agriculture production, and 12.6 percent for services. The output of foodstuff and key industrial products remained the same, or was only slightly different, from estimated numbers set forth in the October 1995 report.

The development of science; the improved service in education and training, culture and information, health care, and family planning; and the implementation of social policies are also matched with the evaluation of the October 1995 report. The following are the changes, or the different results, compared to the estimations outlined in the October 1995 government report:

Regarding the External Relation Economy:

1. The total import-export value is higher than the estimated level. Export volume reached $5.3 billion,

which was $600 million higher than the estimation of the October 1995 report. The export of light industrial, agricultural, and aquacultural products was higher than the estimation in total volume and in the international price of some products.

The import volume was estimated at $6.5 billion, but the actual figure was $7.5 billion, an increase of $1 billion, which included an increase of $650 million for the import of machinery and equipment, and an increase of $350 million for the import of raw materials. Over the past years the trade deficit has been increasing, but its increase was not due to the import of more consumer products. The percentage of import of consumer products was 12 percent in 1995, while the percentage in 1993 and 1994 was between 15-16 percent. The trade deficit is mainly due to the import of equipment, materials, and technologies from foreign direct investment and the increasing funding of the Official Development Assistance.

Foreign trade has a deficit, but the import structure is mainly to serve the national investment and economic development. This corresponds with the first stage of our industrialization and modernization plan. The investment direction and efficiency must lead to a quick increase of export capacity to limit the trade deficit and to repay foreign loans. Despite the high trade deficit in 1995, we managed to cover all of our payments, therefore our international trade balance still had $500 million in excess, which could supplement the foreign currency regulation and reservation fund.

2. According to the total figures of 1995, direct foreign investment is higher than the estimation. Compared with 1994, foreign investment increased 85.4 percent in registered capital, and 33.3 percent in invested capital. More foreign invested enterprises have engaged more manual labor and generated more jobs in various sectors. They have helped to increase $350 million in total export volume, and this figure does not include the oil and natural gas joint ventures.

The use of the Official Development Assistance improved over previous years. Until late 1995, we signed programs and projects to use $4.6 billion; this figure came from the $6.1 billion reserved for us by financial donors from the last three conferences in Paris. So far, we have used $1.7 billion from this assistance.

Generally speaking, foreign invested capital starts to actively contribute to economic development. The percentage of the actual invested figure from foreign capital, however, is still low; therefore, there is great potential to exploit this resource for the economic development in the upcoming period.

Regarding the State Budget:

In the last four months of 1995, the government intensified its guidance over budget collection and expenditure. This led to an average monthly increase of over 4 percent, compared to the first eight months. The implementation of budget collection and expenditure for the whole year is lower than the estimate outlined in the October 1995 planning.

The total collection increased 21.9 percent over 1994. This figure only reaches 91.3 percent of the planning approved by the National Assembly. The October 1995 report estimated that the budget collection would reach 96.4 percent. The total budget planning only reached 95.4 percent, although 98.2 percent had been budgeted.

Budget overspending in 1995 was 4.3 percent of the gross domestic product, an increase of 25.5 percent of the number approved by the National Assembly. The poor performance of the budget collection work was partly due to the inadequate planning on budget collection.

In the total under-collection plan, not the collection plan, import tax under-collection took 75 percent, mainly due to import limitation of consumer goods, especially the import of small cars and motorcycles was lower than planned. The under-collection of fees on transfer of land use right took 13 percent, due to confusion in implementing the land regulations. On the other hand, the situation of tax loss is still serious, including losses in state businesses and other economic sectors.

Due to low state revenue collection, only primary spending was secured while development investment spending remained at a low level. It is noteworthy that actual allocations for capital construction only equalled to 77.7 percent of the plan, of which the actual payments to completed construction work only amounted to 77.7 percent, leaving a debt of over 1,800 billion dong. Budget allocations for investment was low, thus hindering the pace of construction work and causing serious waste and losses due to the unfinished projects. The situation does not only cause a strain to the 1996 budget but also affects development in the long run.

Stemming from its experience in guiding the collection increase and spending regulation drives during the last months of 1995, the government has worked out orientations and measures to regulate budgetary work in 1996 in accordance with the revenue-expenditure plan approved by the National Assembly. The situation of the tense and inactive budget, however, is still a grave one that requires strong measures and efforts on the part of all sectors and all echelons for the implementation of 1996 budget plans.

Regarding Inflation Control:

The government's October report pointed out that by September 1995, the consumer price index increased by 12.2 percent compared to that of the last month of 1994. In the first six months of the year alone, the increase was 11.4 percent — the highest since 1993. Apart from the objective reasons, there were also shortcomings in terms of management, particularly the negligence leading to the cement and food price crises, which could have been avoided. The government reviewed its actions seriously, and launched vigorous measures to control inflation late last year and to prevent the price turmoil, which usually comes before Tet. Thanks to these efforts, consumer price rise index in the last six months of 1995 was maintained at 1.2 percent, and in the fourth quarter only the increase was under 0.5 percent. For the whole year the increase was 12.7 percent, which is lower than that of 1994.

From the experience of actual price fluctuations in past several quarters and measures to control the crises in 1995, the government has worked out uniform measures to control inflation in 1996, starting as early as the first months. Despite the figures of certain targets coming out differently from the estimates from the October report, the conclusion of the report on the implementation of 1995 plans, achievements as well as shortcomings, was still correct. Only on budget collection and allocations for capital construction, the actual results are lower than respective estimates in the October report, leaving behind some difficulties, which will need further effort to rectify.

II. Some Salient Features of Socioeconomic Situation in the First Two Months of 1996:

1. Production continues to develop: In agriculture, despite unfavorable weather in some areas, the winter-spring planting season was completed fairly well and on schedule in all areas. The outcomes were higher than those of same period last year, in all products of rice, vegetables, beans, and industrial plants. Industrial production and construction sector have basically overcome the goofing-off attitude, which was usual in early months of the year. Industrial output in the past two months increased by 13.5 percent as compared with the same period last year. Other important commodities such as electricity, coal, crude oil, steel, cement, and other special consumer goods for Tet all scored good development. In the first one and a half months of the year, 26 foreign direct investment projects with registered capital of $582 million were licensed, including some major projects in production of small motor, power plant, cement, and textile.

2. Market and prices were more stable than previous years: Goods for Tet this year were abundant and responded well to the diversified demands of people from all strata and localities. The government has directed timely preparation for the goods flow for Tet, eased regulations on transportation of foods and grains for cities and towns, and highlighted the leading role of state businesses in distribution of several essential commodities. Service provisions, especially in passenger transport and other healthy cultural and entertainment services were better organized.

These preparations work closely with the measures to restrain inflation that were initiated in the later months of last year and consolidated in early months of this year. The government's directive and call for frugal spending during Tet was met with positive responses by agencies, businesses, and the people. All localities paid close attention to the care for needy families and brought Tet enjoyment to all families and households.

General effects of these combined factors made for an encouraging atmosphere during Tet, with fine impressions on everybody's satisfaction, not only on abundant goods flow, convenient transport service, and stable prices, but also on new indications of national characteristics in healthy cultural activities, and improvements in public security and order.

Although the buying power of the people was not strong during the Tet holidays, we were able to keep prices more stable than they had been in preceding years, and to ensure the supply of commodities met post-Tet requirements. The consumer price index increased 0.9 percent in January 1996. According to initial statistics, the consumer price index inched up 2.5 percent in February. Generally, the rate of price increase over the first two months of this year was less than half of what it was for the same period of 1995, and was the lowest it has been for the past 10 years. What is important is that this certifies our capability to extricate ourselves from a situation that has repeated itself every year in the patterns of vigorous changes in prices during the Tet New Year days. It has also created prospects for keeping the inflation rate in 1996 lower than in the previous year. To translate these capability and prospects into reality, it is necessary to further increase our macro management ability, uphold the responsibility of various state organs in monitoring, and promptly deal with changes in the market and prevent the recurrence of price crises due to subjectiveness.

3. Revenue collection for the state budget used to be at a very low level for the first few months of the

year. This year a new phenomena was noted, that is, budget collection in January and February increased 28.9 percent over the same period last year. This is even higher than the projected 1996 budget collection increase rate (as the National Assembly envisaged only a 22.7 percent increase as compared with the actual collection figures of the previous year). Budget spending for January increased 22.7 percent over the same period last year with spending for capital construction-related investment being up by 6.6 folds; this including spending for settling part of expenses incurred from construction works done last year.

Though these are positive changes, we will have to continue to bring our new-year improvements into more vigorous play throughout the year.

4. Public order and security have continued to be strengthened and expanded. We are striving to maintain discipline and order in the enforcement of various government decisions concerning the reestablishment of the traffic patterns, traffic safety along roads in various cities, the ban on the manufacture, transportation, trading, and use of firecrackers, the punishment of those violations of the law on river dike protection. We have also launched a movement to restore and ameliorate cultural activities, and dispel social evils. The people have sympathized with, and supported these policies enthusiastically. Various sectors, echelons, and mass organizations have achieved close cooperation under the government's close guidance and control. The ban on firecrackers has been strictly enforced. The traffic order changes and the illegal occupation of road shoulders ban has been restored and maintained. The number of deaths from road accidents in the first few months of this year was down by half over last year. Harmful and unlawful cultural activities have been strictly controlled and punished. These results are only initial ones, but they are of paramount importance. They show the people's aspirations and the state's capabilities and efficiency in building a society that can live and work under the law within a wholesome cultural environment.

What has been done, however, is still very small compared to what we still have to do. We must turn obligatory activities into daily habits, stop unlawful actions by halting the problems at the root, eliminate unwholesome phenomena, and build and develop a diverse cultural and spiritual life; this process is not a quick and easy job. It requires the persistent effort of every family, society, and every effort of the state, and the people. The people's hearts are still painful because many unfair cases have not been brought to trial, these include: the practice of corruption and amassing wealth illegitimately, the ills of gambling, heroine smoking, prostitution, and the scourge of thugs disturbing public order and security, and the state of uncleanliness, bureaucracy, and officialism, and certain cadres bullying the people. Prominent features over the past two months and during the Tet holidays marked improved changes in production, communications and prices. These initially helped overcome the sluggishness and instability that have repeated for many years during the early months of the year. The period ahead is still fraught with difficulties. Yet, in its initial steps, our new strategy has been able to create a momentum and experience for the implementation of the 1996 tasks.

III. Some Major Issues in Providing Guidance for the Implementation of the 1996 Tasks.

The momentous progress recorded in the past needs to be further maintained and developed in the implementation of the National Assembly resolution on tasks of 1996, which is a year with important significance to the renovation undertaking and national development on the path of industrialization and modernization. The organization of party congresses at various levels and the Eighth National Party Congress will take away time and energy of leading agencies. All agencies, however, should strive not to neglect their usual activities, and should even try harder to fulfill them. We should strive to fulfill or exceed targets allocated for the first six months of the year, considering them to be contributions to the success of the party congress. To fulfill this duty is to practically develop the significance of the party congress in daily life, heighten the leadership role of the party, and strengthen the people's trust and association with the party.

The major motives for the implementation of 1996 tasks will be the continuation of extensive renovation and the consistence on socialist path. The core duties for the time being are uniform and combined implementations of economic and administration reforms, resolute liberation of production forces, establishment and development of elements that ensure dynamic, healthy, and orderly operation of the market economy under the effective management of the state.

With these considerations, the government has worked out an operation program that provides guidance for the implementation of the National Assembly resolution for the year 1996. The report of the Ministry of Planning and Investment, which was endorsed by the government, has presented a clear illustration of the major balances of the economy, as well as concrete orientations and measures to fulfill 1996 tasks. I will not repeat the entire report, but rather will stress major issues that I urge the National Assembly to discuss and give opinion so that we will reach highest consensus in providing guidance for work implementation.

First, the efforts to implement the revenue-expenditure budgetary plan approved by the National Assembly are essential duties of administrations at all levels.

1. Budgetary revenue: As the actual revenue collection in 1995 was lower than the estimates submitted before the National Assembly, the plan of revenue collection for 1996 is higher than that of last year. It is not at 16.2 percent as at the time of the report, but is actually 22.7 percent.

Some localities consider these revenue targets too high, but reality shows that there is ample potential for sources that localities can mobilize to fulfill the targets. While inspecting 497 state businesses, the Revenue General Department confirmed an unpaid 1995 tax debt of up to 746 billion dong, and a hidden tax- avoiding sum of 125 billion dong. Similar inspection of 278 private businesses also uncovered a tax debt of 15 billion and a tax- avoiding sum of 13.1 billion dong. Investigation of 65 businesses with foreign-invested capital revealed a tax debt of 107.9 billion, and a tax-avoiding sum of 49.5 billion. Tax registrations still overlook many small businesses, and false income declaration is still popular. On the occasion of the campaign to check cultural service establishments, over 40 percent of these business units were found to be unlicensed and not paying taxes.

The evasion of import-export taxes still continues at a serious level. This does not include the tax evasion of many undeclared and highly profitable businesses, such as land and housing trading. The most important measures in carrying out the tax collection planning are the determination to collect tax in accordance with the law, the fight against loss in tax collection, and concentration on areas with great collection potential and less tax loss with the close coordination among various responsible organs, local authorities at all levels, mass organizations, and associations.

In addition, it is necessary to supplement policies and measures to encourage production, meet supply demand, and create more collection resources for the state budget:

— We will accelerate the process to reform the taxation system, correct unreasonable hindrances that slow economic development, make production and business activities more healthy, and encourage the fulfillment of state and social obligations. The government will urgently provide guidance for these works. The government will deal immediately with issues under its power and actively prepare issues that need to be presented to the National Assembly Standing Committee or the National Assembly for approval. At first, the government will adjust certain tax rates — such as the tax rates for foreign invested enterprises and local enterprises — to encourage domestic production and ensure equal and healthy competition in the market-oriented economy.

— The government will also supplement and revise policies on land use to prevent the underground market of land trading. In reality, this market runs outside government control without paying state taxes. This will supplement an important collection resource for the state budget. At the same time, it will create the necessary conditions to construct business and production establishments and for the collateral in credit or investment. The policy to sell off government housing needs many appropriate forms so that the current tenants can purchase the house in which they are currently living in. The National Assembly Standing Committee has worked with the government to organize research and surveys to correct legal documents on this issue.

— The government will adjust the price of some products, such as the price of electricity, gasoline, diesel, and cement. The price of these products does not conform to the supply and demand relations in the market. It also does not meet requirements on reproduction and development of all professions and sections, nor does it correspond to the price in the international market. The government has outlined plans to deal with this step-by-step without causing huge changes in the price index. At the same time, it will distinguish all types of consumers so as to not poorly affect the income of the wage earners and social welfare recipients.

— The government will consider increasing the number of imports of consumer products within 20 percent of the total export value. (It is predicted that the import of consumer products in 1996 will only account for 16.7 percent of the total export value, and 11.7 percent of the total import value. Imported consumer products are those whose demand cannot be met solely by locally produced items; these include luxury products with high tax rates to meet the public demand. This measure is to compensate for the shortage of goods, balance the amount of money and goods in society, control the inflation rate, and at the same time, indirectly adjust income distribution via tax rates and increase budget collection revenue. The increasing import of the consumer products will not cause the trade deficit in our international payment balance. On the other hand, it will help to accelerate the use of foreign currencies and to stabilize the currency exchange rates at the reasonable level when the foreign currency resource continues to flow into our country.

The aforementioned policies need to be decided early so that they can resolve the difficulties of the balance of the 1996 budget.

2. As for budget expenditures, the capital reserved for infrastructure construction emerges as a prominent issue. According to a plan already approved by the National Assembly, the capital reserved for infrastructure construction is almost as large as it was last year (a price crisis is not anticipated), with the amount of domestic capital to be distributed to various projects amounting to only 60 percent of the total. Under this capital allocation plan, the amount of money to be spent as payment for those construction works that were already finished in 1995 but have not been paid is 500 billion dong. We must find collection resources for an additional 1.3 trillion dong in projected expenditures, trying to resort to those measures that do not cause budget overspending.

Experience obtained in 1995 shows that to manage the 1996 budget, we must give priority to ensuring the construction of those infrastructure projects that have had funds allocated. If budget revenue collection fails to meet the planned target, we must reduce our expenditures, particularly our ordinary expenditures, accordingly. We must ensure that investment projects are listed in the annual plan and are allocated with funds. We must intensify management over spending, improve our payment system, and resolutely prevent and deal with situations in which expenditures are permitted to exceed quotas, thus leaving the burden to be carried over to the following year. On this basis, the budget must meet the requirement of allocating funds promptly in accordance with the pace of the approval of investment projects.

Credit loans for investment — which, according to this year's state plan, will be twice as much as last year (6 trillion dong as compared to 3.3 trillion dong) — will be partly reserved for investment projects for increased production and for the building of those infrastructure projects for which the investment capital can be recovered.

The state has also reserved 200 billion dong for the Investment Promotion Fund. The main purpose of this is to help pay part of the interest for those investment projects that use commercial credit loans for increased production and for business in those areas and localities where investment promotion is needed.

In the long run, the amount of money reserved in the state's investment fund resources for credit loans and for assistance in the payment of interest must gradually increase in proportion if we are to mobilize large amounts of funds and improve the effects of investment.

3. With regard to the handling of the budget, as the implementation of the revenue collection plan is still encountering numerous difficulties and is not steady enough, we must project expenditures based on our revenue. If collection is short of plan, we must reduce our expenditures accordingly and must not approve above-plan expenditure demands when collection resources are not available. The government will closely monitor this situation in order to provide concrete quarterly operations guidance. The government will present a plan to the National Assembly Standing Committee by the middle of this year so it can review and redistribute budget revenue and spending figures to suit the actual situation and can report this to the National Assembly in its next session.

Given the very limited budget, the handling of the budget in accordance with the aforementioned spirit will hardly be able to meet the requirements of various sectors and localities, including those requirements that are very legitimate and necessary for the new stage of development. Although the budget allocated to the mountain region is larger than that allocated to other localities, it is still far from meeting the requirements. If, however, we are not determined and strict enough, our budget overspending will exceed the level allowed by the National Assembly. The tense and uncontrolled budget situation will be prolonged, become more serious, and will increase the danger of returning to a high inflation rate, which is detrimental to general efforts to achieve economic stability and development.

The National Assembly Standing Committee unanimously agreed with the government about the need to stabilize the duty to allocate quotas for budget expenditures and to fix the rate for various kinds of taxes to be collected between the central and local budget sectors for two years, effective this year. The legislation on budget management to be presented to the National Assembly for review in this session will create long-term stability for budget allocation, will guarantee uniformity in the budget area and in the system of budget revenue and expenditure, and will, at the same time, increase the powers of various localities so they can develop their dynamism and creativity.

To further renovate this mechanism in 1996 will require budget management units to foresee all difficulties to be experienced not only by their own units but also by the entire country, if they are to increase revenue collection, economize on spending, and exploit all the potential that can be mobilized for development investment without relying on the support of the central authorities.

The results of a budget revenue and expenditure audit conducted by the State Auditing Office in a number of localities show that many indications or arbitrariness exist, such as: granting tax exemptions and tax reductions at will, mostly for state enterprises; keeping funds without having them documented; spending money for illegitimate purposes; and building offices and buying automobiles without including this in investment plans. An audit of the use of money under Program 327 for 29 projects in three provinces found that the amount of money to be readjusted because it had not been spent in accordance with regulations accounted for 24.4 percent of the total money audited, with 19.8 percent of it to be recovered for the budget. Therefore, an important measure to resolve budget difficulties is to revitalize discipline in the system of public fund collection and spending, step up the inspection and auditing of the use of public funds, and unfailingly overcome the situation of wasteful spending and losses because this still remains very serious.

Two: To carry on inflation control remains a urgent task for 1996. Realities of our country's macro-management over the past years and the experiences drawn from the high and sustainable economic growth of many regional countries indicate that it is possible to control price hikes while at the same time accelerating development investment to achieve a high growth rate. Though inflation control does not share many points in common with growth, basically it does not rule out the need for growth. Rather, it creates very important conditions for reducing risks and for stimulating savings and investment, thereby guaranteeing sustainable socioeconomic development.

The results of inflation control in the first two months of this year have created very favorable conditions for reducing the price index to a lower level than in 1995. Nonetheless, it was not easy to achieve that goal. Rather, it required effort to closely monitor the situation and adopt timely measures against factors that might lead to unexpected price hikes. In working out its inflation control measures, the government has focused on major solutions as follows:

First, it is necessary to work out a finance-money solution to

— closely control budget collection and expenditure and keep the overspending rate below a permissible level through the application of the aforementioned policies and measures.

— Steps must be taken to improve management skills, control and regulate cash and credit flow, and determine a rational increase in the total number of means of payment and of credit lines, keeping in mind the need for a sensitive survey and management through the use of appropriate instruments for the money market, thus meeting economic growth requirements while at the same time helping with inflation control.

It is necessary to adopt different forms of domestic capital mobilization, attract savings, and collect debt payments for loan granting purposes. Plans must be worked out to expand various forms of non-cash payment. Continued efforts are needed to improve the foreign currency management system in the direction of enhancement of the exchangeability of the Vietnamese currency and of a rational stabilization of foreign currency exchange rates. It is important to make use of and rotate the sources of foreign currency flow to balance money and goods and create conditions for the implementation of a system under which domestic business establishments only hold Vietnamese currency accounts.

Second, it is important to work out a solution to encourage growth and production, manage import and export activities in a rational manner, and stimulate goods circulation to guarantee an overall balance between money and goods and regulate the supply of and demand for important products capable of exerting a great impact on the general price index like foodgrains and foodstuffs and a number of essential materials, thereby preventing the occurence of price hikes that should not have been allowed to happen.

The government direction must be closely linked with the positive participation of business establishments, agencies, and the people, especially when it comes to fulfilling tax obligations, practicing thrift, and limiting overspending so as to have capital for development investment, the purchase of bonds and share certificates, and savings deposits.

These are subjective factors contributing to the success of inflation control measures. Besides, there are objective factors that may lead to unpredictable consequences. Therefore, it is necessary to closely monitor the situation and take timely countermeasures. These include unfavorable price fluctuations in the world market or unexpected natural disasters that cause serious losses to production and goods circulation.

Three: It is necessary to exploit development investment potential and enhance its efficiency in society as a whole.

1. The sources of state investment are very limited and focused mainly on socioeconomic infrastructure building, with careful selection of first priority projects that are capable of bringing about fast results. The move, however, has met but a very small number of requirements.

In 1995, the planned state budget allocation for capital construction was low and reduced compared with that of 1993 and 1994. Nonetheless, based on the value currently in effect, the total investment capital in society as a whole has increased by 7 percent compared with the planned target and by 39.5 percent compared with the previous year. This achievement must be credited to the personal efforts of business establishments to increase investment by 2.5 percent. The volume of household investment has increased by 11 percent and direct foreign investment has increased by 51 percent. As mentioned above, the volume of investment from the 1996 state budget is even more limited. Therefore, there is a pressing need to mobilize capital from business establishments, the people, and foreign capital to support development investment. Great potential still abounds here. These sources of capital have a direct impact on the growth rate, the pace of restructuring, and the efficiency of the economic system.

2. With regard to state business establishments, the party and state have worked out lines and policies to reorganize them into a number of big or relatively big corporations by forming share-holding companies, by improving organizational and managerial patterns, and by gradually doing away with the mechanism of sole and all-inclusive management and subsidization of administrative organs. At the same time, plans have been worked out to support development investment. Though a number of results have been achieved, the pace of implementation is slow and the general efficiency of this economic sector is low.

This year, we must carry out various essential tasks to pave the way for satisfactorily implementing state lines and polices.

First, we must grant state-run business enterprises with the autonomy to run and take responsibility for their activities as we do with the limited and share-holding enterprises, so as to allow them to develop and prosper in accordance with the market mechanism. With this measure, we will be able to concretely define the functional and managerial authority of state agencies over these enterprises. We should not maintain the obsolete, responsible organ system as in the past, but should allow these enterprises to create and seek their own capital for investment development. The state should not provide them with investment capital, but should provide credit or financial support allowing them to pay interest on the loans they receive from banks. The state should also allow these enterprises to seek loans from foreign countries with guarantee provided by state-run banks.

State-run enterprises set up to serve the public must fulfill various social development programs and should be subjected to the control of an appropriate state management mechanism. They may receive capital from the state in various forms, including the allotment of capital or budget when warranted.

Second, efforts must be made to improve the financial status of state-run enterprises in a concise, truthful, and healthy fashion. It is necessary to accurately appraise the value [illegible]rious assets, seriously apply the new accounting system, improve auditing work, and encourage debt settlement. Without these efforts, we may not be able to correctly assess the real conditions of enterprises in order to formulate appropriate measures to resolve their problems.

The two aforementioned tasks are not easy. However, we must implement them as a matter of urgency in order to create a basis for improving managerial organization, introducing the share-holding system, and helping state-run corporations and enterprises to operate in a healthy and effective fashion and to quickly apply new technologies so as to accelerate investment and development, thereby contributing to enhancing the dynamic role of the national economy.

3. Investment in the area of the family economy and private enterprises plays a very important role in developing agriculture and the rural economy and in expanding handicraft, small industry, trade, services, and local transportation, thereby creating more jobs for and increasing the income of the people.

To further develop the potentials of this economic area, it is necessary to thoroughly understand and uniformly carry out the policy on developing the multisectoral economy and promoting the dynamism of the state economy. Efforts must be made to eliminate inconveniences caused by rules and regulations and socio-psychological influences. It is imperative for us to promptly carry out the following key tasks:

— Apply simple procedures for business registration. However, business establishments must abide by the law especially in paying taxes when due and in accepting the functional control of an authorized state agency; dramatically ease the requirements and procedures in establishing enterprises; lift unessential limitations on professions and occupations; review the classification of business projects that have unrealistic capital in relation to their scales; uniformly apply procedures to granting licenses and registering business establishments; control and urge all production and business establishments to register and operate their business in accordance with the law.

— To promptly overcome all the delays in concretizing and implementing the law on domestic investment promotion; promulgate regulations on the setting up and use of funds for investment development; rationally resolve issues related to land use rights; supplement and amend various policies and measures to help enterprises and households overcome their shortcomings, lack of capital, and deficiencies in applying new technologies.

— To develop various economic cooperation forms between households and small business establishments in accordance with the law on cooperatives after it is approved and promulgated by the National Assembly; and encourage various forms of joint ventures between big enterprises and medium- and small-size establishments on the basis of supporting each other for mutual interests.

4. Concerning direct foreign investment, we must, on the one hand, continue to improve the investment environment, make proposals to the National Assembly to amend the Law on Foreign Investment, and promptly improve administrative procedures to attract new investment sources in various forms and to various essential areas. On the other hand, we must pay attention to overcoming obstacles and strengthening state assistance and control, especially in using land and leveling areas to promptly carry out licensed foreign investment projects. To date, the unused registered capital of the already licensed foreign investment projects is about $13 billion. This capital should be used and promptly developed within five years.

We must continue to seek more foreign official development aid and quickly utilize the already attained foreign capital and loans obtained for a number of selected investment projects. Efforts must be made to bolster the preparations for various projects, to promptly carry out approved projects in accordance with the schedules, to improve coordination in management work, and to ensure effective use of capital.

5. To develop the capital market in order to encourage savings and investment: To expand the establishment of markets for bonds, credit notes, and treasury bonds and increase their issuance. To develop insurance funds, and middle- and long- term deposits. To review experience from pilot projects so as to build up regulations for the equitization of state enterprises and for the establishment of share-holding companies that issue stocks. And to speed up the preparation of a legal framework and personnel training for the establishment of the stock exchange market.

6. Experience of the realities of the drive to bring industrialization and modernization strategies to daily life shows the importance of the planning task in effective investment and development, as planning helps to avoid the deteriorating consequences of disorderly and illogical construction as well as any destructive effects on the environment. In the new development stage, planning must be considered the most essential content of the state management function at all levels. The planning process requires a highly scientific approach, a broad view, and constant effort. This process cannot be completed with only one attempt.

It is necessary to: urgently undertake and constantly improve the quality of development planning for sectors, localities, key areas, urban areas, industrial complexes (including processing zones and high-tech zones); to zone off and use agricultural land; to cover fallow land and bare hills with greenery; and to zone off population areas in the countryside.

Development plans for large cities should envisage the establishment of satellite industrial and service areas, ban the allocation of new enterprises within inner cities, and relocate pollution-creating enterprises to outlying suburbs. They should also include options for residential areas, cultural centers, entertainment and amusement quarters, green areas, as well as provisions for the preservation of the environment and historic and cultural sites and the limitation of the number of high-rise buildings in densely populated spots, which strain the overworked infrastructure and public service facilities and worsen environmental pollution. Planning for rural residential areas should combine the two ideas of living harmoniously with nature and the improvement of the infrastructure so as to enhance the lives of the residents and shorten the gap between facilities and services compared with those enjoyed in the municipalities.

The government will direct ministries to review the planning task in the past and work out measures to improve the quality of the planning task, and to speed up training for planning personnel.

Four, cultural and social structures to be renovated so as to create new changes:

The 1996 plan pointed out that the guiding idea is the harmony between economic development and the implementation of social equity and progress. Cultural development and solutions for social and human development issues must be considered core elements for long lasting development. This guiding idea has been manifested in the policies on the direction for development, the investment allocation plan, budget allocation, and the implementation of socialization measures, for which the state and the people cooperate in selected areas.

In the cultural and social aspects, however, there are still many urgent issues that need to be resolved. Measures carried out so far, particularly in budget allocation, are still not enough to satisfy demands. Realities require that there must be a new structure that utilizes budget allocation more efficiently, and carries out the socialization program in broader and more diversifying ways so as to create new changes for the better in these aspects.

The current structure of budget allocation to the education and public health sectors is inadequate primarily in terms of remuneration for teachers and physicians; it is also inadequate in terms of providing universal and equal subsidies to everyone who goes to school or who goes to hospital for medical examination or treatment, regardless of the income diversification in our society, which has become quite obvious. In reality, families with children at school have to pay many extra sums in addition to school fees, mostly for unreasonable extra tutoring, which counters all pedagogic principles. Patients in hospitals are paying, unofficially and unopenly, more than what is required by regulations, usually many times more. The situation is the birthplace of negative actions that spoil the teacher-pupil relationship and medical ethical values while widening the inequality gap, as well-off people still receive subsidies while poor people can hardly catch up with all the payments.

These realities require and open opportunities for new structural changes so that adequate funds for education and public health are ensured by proper and open collection of fees and the focusing of state subsidies on priority objectives and essential targets, such as construction of the infrastructure in education and public health, compulsory primary education, hygienic and preventive health programs, investment for mountain regions of minority ethnic people or remote rural areas, assistance to poor families and recipients of social entitlements to help them go to school or seek medical treatment, development of special talents, and so forth.

In this way, contributions made by the wealthy — which accounted for no small amount in the past — now become more transparent and justified; and the poor will receive better assistance. Teachers and physicians will be paid properly; the better their professional skills, the higher the wages they will receive. Private and semi-public schools and public health establishments will charge according to their actual services and hospitals will treat patients without discrimination. Efforts must be made to formulate forms and measures to renovate and revamp the current system in accordance with the aforementioned orientations.

This is, however, a major policy that has a great impact on all families, and there are many complex issues both in terms of mechanism, organization, and personnel that have many consequences that need to be resolved. Therefore, this process must be carefully studied and gradually implemented. This year we must apply this process at a number of educational and public health establishments in a number of cities and towns, where conditions permit, and we must promptly draw on experience to build and perfect the new mechanism.

Although other cultural and social domains do not have anything in common with education and public health, we should think of a mechanism to make rational and effective use of state-assisted funds and of appropriate forms of public contributions in a way suitable to each particular area.

Five: Effective implementation of the administration reform program:

Last year saw some initial achievements in administration reform. A number of new regulations were promulgated, orders and disciplines were strictly observed by various sectors, administrative apparatuses were reorganized, and training and fostering programs for cadres and civil servants were expanded. Nevertheless, generally speaking, administration reform has been carried out slowly. Obvious changes have not been made, especially in areas directly involving the people and business enterprises. Reality shows that administration reform is a pressing task and a decisive factor for the renovation undertaking and for socioeconomic development.

This year, we must strive to maintain and develop the achievements attained while satisfactorily carrying out a number of new tasks. Efforts must be made to combine more closely the administration reform with economic reform in formulating various policies and measures. We must strive to effect vigorous changes in the campaign to eliminate corruption, bureaucratism, and authoritarianism, especially in the state machinery, in building the new lifestyle, and in carrying out the daily work in accordance with the law. To achieve this goal we must integrate efforts to carry out the following key tasks:

— To satisfactorilyy carry out the law building program set by the National Assembly.

— To improve and strengthen the formulation of regulations, set up a system to collect ideas from various sectors to amend and revise regulations before promulgation, quickly review the implementation of the promulgated regulations, and formulate procedures in promulgating laws and regulations.

— Continue to revise administrative procedures, especially procedures related to land and housing in urban areas, the establishment of enterprises, business registration, the notarization system, and settlement of the people's complaints and denunciations.

— To improve the financial and banking system, and perfect and promulgate regulations on registration and paying fees.

— To formulate and make public various guidances on administrative procedures to help the people understand and implement them correctly. Efforts must be made to review the implementation of this task at various state agencies.

— To satisfactorily create conditions for the establishment and operations of administrative courts by mid-1996.

— To maintain and develop results of the movement to ensure social order and safety in a number of areas and expand this movement to other areas.

— Continue to enhance the state management function in each sector and area and define the authority, responsibility, and coordination vis-a-vis sectors and echelons to satisfactorily promote this function, especially in areas with numerous obstacles. Efforts must be made to study the organization models of various ministries and general departments at the central level, people's committees in provinces and cities, and other administrative offices. Efforts must also be made to review the organization and activities of the administration in cities, category-two cities, towns, districts, and wards.

— To reorganize offices of various administrative agencies to serve the one-door policy in relations with the people; strive to modernize these offices by introducing the use of computers in administrative management; install more computers and improve the efficiency of the use of computers and other technical means.

— To promulgate regulations on civil servants and work procedures for administrative personnel; improve the recruitment system and review the development of newly-hired civil servants; step by step improve the classification of positions; and strengthen and improve training programs for civil servants in accordance with their position and background.

In reviewing the situation over the past few months and the tasks to be carried out in the period ahead, we have a basis on which to affirm our determination to implement the 1996 tasks successfully. In the supplementary report on socioeconomic activities at this National Assembly session, the government hopes that the delegates will contribute their views, especially on those policies and measures aimed at generating new momentum, resolving difficulties, improving the unanimity and the spirit of collective responsibility in the guidance for and supervision over the implementation of the National Assembly resolution.

SRV: Vo Van Kiet Addresses Assembly 12 Mar

BK1603092796 Hanoi Voice of Vietnam Network in Vietnamese 12 Mar 96

["Excerpt" of speech, broadcast in two installments, by SRV Prime Minister Vo Van Kiet to the Ninth National Assembly in Hanoi on 12 March — read by announcer]

[FBIS Translated Text] [1100 GMT] At its eighth session, the National Assembly unanimously approved the 1996 socioeconomic development plan and major development orientations to the year 2000. We clearly understand that those are very high expectations and require greater efforts compared with the past five years. We unanimously agree that this is the only way to meet our country's development needs and to enable us to face all challenges and steadily integrate into the very dynamic growth of the region and other parts of the world.

In fact, with the successful completion of our five-year plan, our country has faced even greater and higher development needs compared with the past. Growing demands appear in all aspects of social life and require better problem-solving methods. Therefore, failure to meet those requirements will not only cause the pace of national development to slow down but will also make it difficult for our country to maintain its past achievements and avoid new problems. Nowadays, every day and every hour, we face a growing need for infrastructure, capital, energy, technology, employment opportunities, education, health care, human resources development, and so forth.

The projected development needs that I have already presented at the many National Assembly sessions and government meetings could now become outdated compared with the demands of life. This means that the country as a whole must make greater efforts than before.

With regard to external relations, we see that our country's foreign trade index, direct foreign-invested capital, and other forms of external relations are constantly on the rise. This also means that the process of linking our country's economy with the regional and world economies now becomes more dynamic with every passing day and raises higher demands and greater challenges.

Following our country's admission to ASEAN, we have many tasks to carry out and must compete in a feverish race to qualify for participation in AFTA.

To help our country's products have greater access to the world market, we have many tasks to perform now in order to gain participation in the World Trade

Organization (WTO) at an early date. We will have to try by all means to quickly increase our foreign trade index and draw more capital and technology from the outside world to meet domestic development needs.

The objective of my review is to stress that we should under no circumstances belittle the need for a faster and steadier pace of national development based on socialist orientations. Instead of counting on other sources, we should rely primarily and mainly on our country's own potential.

It is my hope that the National Assembly deputies will concur with those views and contribute positive suggestions so as to make each locality, each economic sector, and each business installation as well as each producer and each business person countrywide uphold the determination to bring into full play their potential to serve the goals of fast development. We need to sharpen this determination to accelerate national industrialization and modernization and consolidate the ability to face all new challenges.

Please allow me to stress that given our country's existing financial standing, the state budget can only provide very humble allocations for infrastructure building, education, health care, and a number of other public utility projects. This means that development investment capital must be based mainly on efforts to mobilize all potential in society.

Even if we want to attract external resources, we must at first mobilize all our internal ones. If we realize this, then we can set good policies to foster and mobilize them, increase savings and investment, better use our existing capital, and overcome the habit of reliance on others such as on state funding, requests for the retention of state revenue, and expectations of foreign financial aid. I suggest that National Assembly deputies do everything to make the entire nation understand that and put the above ideas into practice.

In bringing up this issue, we need to reexamine whether the current view and policies have met all the requirements to enable us to foster and mobilize all resources for national development. All the tasks of the different branches and echelons, from the management of business, production, finance, and monetary to social management, must be regularly checked with these central requirements. Every locality and every economic sector will need to pay attention to the mobilization of resources for their own development. We will not allow any money to stay idle and we cannot ask for state funding for every task and difficulty we come across.

This does not mean that the government will not bear any responsibility and leave all problems to local authorities to solve. At present, only 14 provinces and cities in the entire country contribute to the state budget. The government has to provide financial support to the remaining localities. Therefore, we have no other choice than to mobilize all of society's potential, not to mention the need to do our best to control inflation.

In reality, in the various provinces and enterprises, it has been proven that the more effort we make, the better success we enjoy, even when other resources are mobilized. In contrast, the more we rely on aid from the central level, the longer results take to emerge and the more subdued. The prevalent and urgent issue for all localities is the severe lack of sources of capital to meet the minimum demands of infrastructure development and the improvements for education and health care.

On education, the government spends about 500,000 dong each year for a student. This is not insignificant, compared to our current GDP. However, compared to demand, it is a drop in the ocean. So, what can we do? We cannot just complain and criticize. We also cannot increase taxes and print more money just for spending. I suggest that the National Assembly think about this and offer views and the most positive measures to deal with this to the government.

On one hand, I think we will find ways to make more efficient use of state allocations. At the same time, we have to mobilize all our public resources and improve on the government's policy of working together with the people.

If we allow foreigners to invest in infrastructure under the BOT [Build-Operate-Transfer] scheme, then we have to encourage our people and investors to do this too. At the same time, I would like to suggest that the National Assembly boldly think and suggest ways to generate more fund for public organizations and to allow the private sector to set up education and health care services to best serve our increasing demands.

These are very practical issues arising from the demand to mobilize all of society's resources and to invest in national development. Regardless of the strains caused by the different demands of national management, supervision and development, top priority must continue to be given to the fostering and mobilization of all of society's resources for investment growth.

2. The determination to perfect the national financial system. First of all, it is necessary to affirm that the demand to improve the tax system has become more urgent each passing day. In reality, it is still very complicated, has duplications, and is riddled with many inappropriate tax brackets and rates. The tax system is very costly to administer and is filled with loopholes,

thus opening itself to abuses. It also does not foster stronger economic development. In addition, the collection mechanism also suffers from many weaknesses.

We have to reform our tax system soon. Every business with profits and income must pay taxes, and we must see that this system of fairness and obligation is maintained. However, we should also introduce appropriate steps to encourage the legal amassing of wealth, reduce tax evasion, and overcome the collection shortfalls by simplifying revenue sources. A simple, open, and clear tax system that easy to manage and less costly to implement with low and reasonable tax rates will foster and create new revenue sources; broaden taxation; encourage savings, investment in the production renewal process and investment; and attract various types of capital and foreign investment. It will result in increased revenue for the state budget, accelerate economic development, and develop the external economy. Especially, it will enable our exports to compete and our country to participate in the ASEAN Free Trade Area and the World Trade Organization. History has proven that such a tax system has a great impact in the early stages of the industrialization process in many newly industrialized countries.

Together with the tax reform, the government will continue to speed up the use of the new accounting system and expand auditing. At the same time, the government will make our accounting and auditing systems more suitable with common international accounting and auditing standards.

With regards to the improvement in the management of the state budget: Our national development demands that we introduce early on a state budget law to meet the two most important requirements — encouraging and creating revenue sources to meet the spirit of self-reliance for national construction and protection; and enhancing the uniform and efficient management of budget collection and expenditure nationwide.

There were many views expressed in this session about the division of authority and duties on budget management between the central government and provinces, and the generation of self- motivation among the localities and units in drafting the budget. In the bill on the state budget presented to the current session of the National Assembly for approval, the government proposes that a stable revenue source be allocated to all localities for three to five years. This will replace the current practice of two years. The people's councils will be given full power in making decisions on the management and allocation of their own budgets. Depending on the results, the authority will actively mobilize and broaden the revenue sources. These are the first step in the process to modernize and improve budget management. We still need to consider futher steps.

About the organization of the finance sector: At present, there is a lot criticism of the organizational mechanism of the finance sector, which is already bulky and becoming more so with the administrative reform. The government will seriously study this issue and continue to improve its mechanism to make it suit the requirements of national development. Right now, we can say that the organization and personnel from the finance sector will need to study and make improvements. The relationship between this sector and the local authorities also needs to be rebuilt to make it a closer one. The government will continue to work this way.

I would like to cite the following to provide more ideas for all of us to consider:

The former finance sector structure was unwieldy where it concerned the distribution and the turning in of funds and seemingly took no responsibility in using resources efficiently. The new management must overcome this shortcoming. At the same time, it must reduce state intervention in business and production, increase the independence of enterprises, and fully enchance the role of state macro-management.

During the administrative reform, we plan to enhance the efficiency of the state management and eliminate the structure of having one management agency.

Consequently, the organization of the finance sector needs to be strengthened and perfected. We will continue to examine whether the current acceleration and strengthening are appropriate. We will reasonably increase staffing and form new organizations to ensure results. If the organizations of the new finance sector do not overlap and if they improve state control and the uniformity of the national financial system, we will have nothing to worry about. If these requirements cannot be attained, we have to readjust the system.

Some deputies' want to reduce the vertical management style of the finance sector and supplement it with local management. However, as I have presented in the part on the state budget, the assurance of uniform management in national finance is still the most important priority. This is a requisite for strengthening the economy of the entire country. The government will continue to consider all suggestions. Also, I would like to suggest that deputies pay more attention to enhancing the state management role of the organs of the state administration in every locality and improve on the quality of the cooperation between the local administrative organs and the vertical administrative section. With the different divisions, there is always the danger of alienation and separation. To strengthen the link between the vertical and horizontal management systems of localities is one of the most urgent demands of administrative reform.

To advance the practice of thrift and the fight against corruption. Though the state budget is tight and we are still short of revenue sources for essential major expenditures, wasteful spending and corruption have not shown any decline. This not only causes serious damage to the economy, but also undermines social values. Realities show that the fight against these ills requires persistence on our part and widespread support from the masses.

First of all, the government will follow the policy that allows wider scrutiny of financial regulations, spending management procedures, accounting and auditing records. All cases of corruption and embezzlement discovered so far will be handled strictly. Based on our experiences from the campaigns to ban firecrackers, to restore traffic order and safety, and to fight harmful cultural products and social vices, the government will take broad measures to encourage a frugal lifestyle and to fight against corruption. I solemnly request all National Assembly deputies, regardless of your respective locality or sector, to encourage your constituents to practice thrift enthusiastically and participate actively in the fight against corruption and waste.

Thirdly, we should push administrative reforms forward to create more favorable conditions for the renovation. We should thoroughly implement the Party Central Committee's Eighth Plenum resolution on continuing to building and refine the state of the Socialist Republic of Vietnam, the core task being to reform the national administration by one step. In 1995, government made efforts in all three areas, namely in administrative regulation reform, state administrative structure modification, and improvement in the recruitment and training for public service employees. We have combined eight former ministries into three new ministries, established a number of general departments, set up 16 general corporations, and reorganized offices in the provinces and cities to make them compatible to adjustments made in the governmental structure. We have reformed and simplified many administrative procedures. So far, we have fulfilled many tasks in various areas related to public service, such as the establishment of nearly 200 positions, ranks, grades, and relevant criteria for public service employees.

This is a lot of work, but in comparison to the demand, the administrative reforms program has not been able to respond adequately to the demands of the new period in heightening the efficiency of the state management structure. Realities show that there are still many other issues that need to be clarified, such as determining the relationship between sector and local management, and between state and business and production management, along the direction of eliminating intermediate management levels. In fact, there are still many lengthy and overlapping administrative procedures that cause inconvenience and waste, opening the way for negativity. Many official reforms, after they have been ordered, have not been appropriately carried out. The handling of litigations, disputes, and complaints is still very slow and the backlogs of the relevant agencies are growing. The law and regulations on trial conduct and the execution of court orders still show flaws, and in fact there are still conflicting clauses or differences between laws and other legal documents. This is especially serious in land management, finance and tax management, company formation, business registration, and implementation of the Law to Encourage Domestic Investment. There are still serious shortcomings and large gaps in these areas, causing not only huge losses to the economy and in national assets and energy, but also obstructing the fight against corruption.

All the aforementioned elements actually hamper the dynamic development of our country, causing great wastage in resources which could have been used to speed up development. These elements also weaken the legal system. In some extreme cases, law and regulations become totally invalid. This explains why our legal system, though it has developed to a relatively significant level, lacks efficiency. The liberation of development potential in society and the fight against corruption and negativity have not yielded satisfactory results. Social security and discipline are still seriously violated.

We all see that administrative reform is a very difficult task, but there can be no excuses for further delay. Many comrades have commented correctly that domestically, corruption and negativity in the state mechanism are the most serious threats to all our revolutionary accomplishment. I agree with this, and think that the administrative reform program and measures to rectify these weaknesses are among the most important measures in the fight against corruption. The program also contributes decisively to the liberating the country's development potential.

At the start of the year, the government made its resolution to overcome the usual bad habit of waffling at the beginning of the year and then rushing through when the end of the year draws close. The system is to actually work from the beginning of the year. The government is urgently directing sectors and localities to continue their efforts to fulfill the tasks for the first quarter, and to strive for higher merit in the second to greet the Eighth National Party Congress. This is also the government's determination to direct sectors and localities to fulfill the 1996 socioeconomic development plan, and to score the first success for the 1996-2000 five-year plan.

Thank you sincerely.

SRV: Do Muoi Addresses Study Course for Key Cadres

BK1803151596 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 17 Mar 96

[FBIS Translated Text] A 10-day study course on party lines and policies organized for almost 600 key cadres was concluded recently. Participants were cadres responsible for mass mobilization, propaganda, and training work of the Vietnam Fatherland Front, political and mass organizations at the central level, Army units, and provinces and municipalities throughout the country.

This was the seventh course of the important political activity drive in anticipation of the Eighth National Party Congress aimed at systematically fostering knowledge and new concepts of the contingent of key cadres, creating a unified concept in the entire party, and studying and contributing ideas to various draft documents for submission to the Eighth National Party Congress.

Party General Secretary Do Muoi attended and addressed the course. He said: Renovation undertaking is an arduous and difficult revolution. As a result, the contingent of cadres and party members, including mass mobilization cadres, must strive to train and enhance their quality and capability, and together with the people, carry out the renovation undertaking a step further. Specifically, in the stage toward industrialization and modernization, the role of mass mobilization work is even more significant. This is because national industrialization and modernization is an undertaking of the people and by the people. To expand the great national unity bloc, to develop the all people's strength, and to carry out the objectives of making a prosperous people, a powerful country, and an equitable and civilized society are the tasks of the party, the state, the Vietnam Fatherland Front, and political and mass organizations. The Vietnam Fatherland Front and other mass societies are the key forces for mass mobilization work. They serve as a bridge linking the party with the state and the people.

SRV: National Assembly's 16 Mar Proceedings Reported

BK1803145796 Hanoi Voice of Vietnam in English 1000 GMT 18 Mar 96

[Unattributed report on the proceedings of the SRV National Assembly in Hanoi on 16 March]

[FBIS Transcribed Text] Deputies to the Ninth Session of the Vietnam National Assembly on Saturday discussed and approved the draft law on cooperatives. The deputies unanimously agreed with all the provisions of the draft law and varied forms of economic life in Vietnam that have existed and developed for many years. This is a model covering 80 percent of the Vietnamese population, including millions of handicraft workers who want the state to create a juridical foundation for the collective of economic cooperatives to develop steadily and effectively.

The approval of the law on cooperatives showed it was a vital and confirmative aspect of the renovation process. Mr. Nguyen Manh Dinh, deputy of Thai Binh Province to the National Assembly, spoke about the law.

[Begin Nguyen Manh Dinh in Vietnamese, fading into English report] Cooperatives are a diversified model and have existed for a long time. The organization of principles and concepts of distribution must ensure a combination of the interests of cooperative members and the cooperative's interests. The functions of the chairman of the management board of a cooperative should be a [words indistinct] ability of management to encourage cooperative members to work. As compared to previous cooperative models, the cooperative model in this law (?must be) diversified to the highest quality, as it conforms to the multi-economic sector development program of the Vietnamese state.

After listening to the opinions from other deputies, Minister of Planning and Investment Do Quoc Sam and the Draft Law Committee unanimously approved to readjust and add provisions to the law within the conference hall. The law on cooperatives was then overwhelmingly approved.

The Ninth Session of the Vietnam National Assembly is due to approve the law on the state budget on Monday and Tuesday this week.

SRV: National Assembly's 18 Mar Proceedings Reported

BK1903013396 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 18 Mar 96

[Unattributed report on the proceedings of the SRV National Assembly in Hanoi on 18 March]

[FBIS Translated Text] Today is the 14th working day of the Ninth National Assembly's ninth session. In the morning, the deputies continued to vote on the remaining four chapters — seven to 10 — of the draft law on cooperatives, which was readjusted and amended in accordance with the deputies' opinions. The deputies contributed suggestions to the rewording of each provision to guarantee the accuracy of the terminology and the preciseness and feasibility of the legal document in order to further clarify the contents of each provision of this draft law.

At this morning's session, the National Assembly voted on the Law on Cooperatives, which comprises ten chapters and 55 articles. Afterwards, the deputies continued to vote on the law on the state budget, which was readjusted and amended in accordance with the deputies' opinions.

By the end of this afternoon's session, the National Assembly deputies voted on the name of the law on the state budget and on the preamble and the first four chapters of the law on mineral resources.

The National Assembly will work in the conference hall this evening and tomorrow to continue voting on each chapter of the Law on the State Budget.

SRV National Assembly Issues Communique No. 13

BK1903013596 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 18 Mar 96

["Communique No. 13" issued by the Ninth National Assembly in Hanoi on 18 March]

[FBIS Translated Text] The National Assembly held a plenary session in the conference hall under the chairmanship of National Assembly Vice Chairman Nguyen Ha Phan.

1. The National Assembly continued to vote on the following chapters of the draft law on cooperatives: Chapter seven on cooperatives union and representative organization of cooperatives; chapter eight on state management over cooperatives; chapter nine on rewards and punishment for violations; chapter 10 on the implementation clause. A total of 15 deputies contributed their ideas to these chapters. Comrade Do Quoc Sam, on behalf of the law drafting committee, briefed on the compilation of national assembly deputies' ideas and further clarified a number of issues raised by the deputies. With a high consensus, the National Assembly voted on the remaining chapters and full text of the draft law on cooperatives.

2. The National Assembly voted on the draft law on the state budget. Comrade Luong Ngoc Toan, on behalf of the drafting committee and the National Assembly's Economic and Budget Committee [words indistinct] presented a report on compilation of the national assembly deputies' ideas on the draft law on the state budget. Comrades Ly Tai Luan and Ho Te, took turns reading the text of the draft law on the state budget. The National Assembly discussed and voted on the preamble and chapter one on general provisions. Afterward, the National Assembly debated on the following chapters: Chapter two on duty and authority of the National Assembly, the government, and other state agencies, and on responsibility and obligation of individual organizations toward the state budget; chapter three on revenue collection sources and expenditures of various levels of the state budget. A total of 46 deputies contributed ideas to these chapters.

The National Assembly will continue its work at the conference hall in Hanoi tomorrow.

SRV: Results of First Antismuggling Resolution Reviewed

BK1803125296 Hanoi VNA in English 0643 GMT 18 Mar 96

[FBIS Transcribed Text] Hanoi VNA March 18—Vietnam's Customs Department has discovered 60 of all cases that violated anti-smuggling laws which were promulgated two years ago.

The figure was discussed at a two-day meeting of the department held in Ho Chi Minh City last week to review the implementation of the first anti-smuggling resolution. It was also revealed at the meeting that the department discovered 11,412 smuggling cases last year, with a total quantity of confiscated goods and lost customs duties worth VND [Vietnamese dong] 189.1 billion. Customs officers retained 1,800 antique items, more than 2,400 pornographic and reactionary publications, 16,800 assorted tapes and discs, eight guns, 122 kg of explosive substances, and 1,811 poison sprayers.

In the programme for drug control, in particular, the customs department last year retained 30 kg of opium, 1.44 kg of heroin and 20 kg of hashish. In a most recent case, Tan Son Nhat Airport customs officers discovered two persons of Portuguese nationality, Kong Thong Sam and Hokam Weng, on 15 March 1996 bringing 18 kg of heroin into Vietnam from Thailand, the biggest quantity of heroin to have been discovered so far in Vietnam. On the same day, customs in the central Province of Nghe An found 4 kg of opium, and in late February another 6.7 kg of opium was discovered in Thanh Hoa province.

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